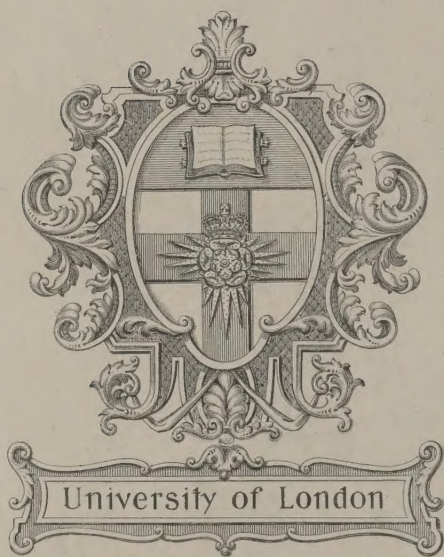
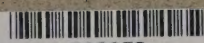






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ACCOUNTS AND PAPERS:

THIRTY-EIGHT VOLUMES.

—(12.)—

EAST INDIA.

RANGOON AND WESTERN CHINA; UPPER BURMA.

Session

5 February — 21 August 1867.

VOL. L.

1867.

ACCOUNTS AND PAPERS:

1867.

THIRTY-EIGHT VOLUMES:—CONTENTS OF THE TWELFTH VOLUME.

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FOR THE

Year 1865/66.

PART II.

ESTIMATE OF REVENUE, EXPENDITURE,

AND CASH BALANCES,

FOR 1866/67;

WITH A COMPARISON OF THE TWO YEARS.

(Presented to Parliament pursuant to the Act 21 & 22 VICT. c. 106.)

Ordered, by The House of Commons, to be Printed,
1 May 1867.

PART I.

FINANCE AND REVENUE ACCOUNTS

OF

THE GOVERNMENT OF INDIA,

1865-66.

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No. I.—AN ACCOUNT of the GROSS REVENUES of INDIA for the Year 1865-66, with the into the several Government Treasuries, and the Rates per Cent. for which the Gross Receipts

REVENUES AND RECEIPTS.	1. GROSS RECEIPTS.	2. Repayments. — Allowances, Refunds and Drawback.	3. NET RECEIPTS within the Year, after deducting Repayments.
	£.	£.	£.
LAND REVENUE, &c.			
Land Revenue - - - - -	20,473,897	75,398	20,398,499
Tributes and Contributions from Native States - -	709,632	- - -	709,632
Forest - - - - -	367,682	369	367,313
Abkaree (Excise) - - - - -	2,244,874	2,238	2,242,636
TOTAL Land Revenue, &c. - - - £.	23,796,085	78,005	23,718,080
Income Tax - - - - -	692,241	13,601	678,640
Customs - - - - -	2,279,857	134,339	2,145,518
Salt - - - - -	5,342,149	48,556	5,293,593
Opium - - - - -	8,518,264	12	8,518,252
Stamps - - - - -	1,994,632	30,019	1,964,613
Mint - - - - -	494,354	- - -	494,354
Post Office - - - - -	406,466	42,977	363,489
Telegraph - - - - -	190,463	348	190,115
Law and Justice - - - - -	643,628	18,059	625,569
Police - - - - -	146,901	5	146,896
Marine - - - - -	198,890	6,881	192,009
Education - - - - -	57,538	40	57,498
Interest - - - - -	216,824	- - -	216,824
Miscellaneous - - - - -	2,311,123	47,629	2,263,494
Army—Miscellaneous - - - - -	728,340	- - -	728,340
Public Works—Miscellaneous - - - - -	917,465	- - -	917,465
GRAND TOTAL - - - £.	48,935,220	420,471	48,514,749

CHARGES of COLLECTION and other PAYMENTS out of those REVENUES; the NET RECEIPTS were collected, converted into Sterling Money, at the Rate of Two Shillings the Rupee.

CHARGES AGAINST INCOME.				8.	9.	
4. Charges of Collection, including Cost and Charges of Salt and Opium. (See Account, No. 13.)	5. Allowances and Assignments under Treaties and Engagements. (See Account, No. 24.)	6. Allowances to District and Village Officers, &c. (See Account, No. 14.)	7. TOTAL CHARGES against INCOME.	NET RECEIPTS into the several Government Treasuries.	Rate per Cent. for which the Gross Receipt was Collected.	
£.	£.	£.	£.	£.		
1,959,896						
—						
213,779						
243,014						
2,416,689	1,801,793	389,654	4,608,136	19,109,944	10·155	
16,620	- - -	- - -	16,620	662,020	2·400	
207,514	- - -	- - -	207,514	1,938,004	9·102	
					Including Cost of Salt and Opium.	Excluding Cost of Salt and Opium.
339,140	- - -	- - -	339,140	4,954,453	6·348	4·367
1,894,270	- - -	- - -	1,894,270	6,623,982	22·237	1·534
88,635	- - -	- - -	88,635	1,875,978	4·443	
172,561	- - -	- - -	172,561	321,793	34·906	
433,304	- - -	- - -	433,304	{ Excess charge 69,815 }	106·602	
271,502	- - -	- - -	271,502	{ Excess charge 81,337 }	142·543	
- - -	- - -	- - -	- - -	625,569		
- - -	- - -	- - -	- - -	146,896		
- - -	- - -	- - -	- - -	192,009		
- - -	- - -	- - -	- - -	57,498		
- - -	- - -	- - -	- - -	216,824		
- - -	- - -	- - -	- - -	2,263,494		
- - -	- - -	- - -	- - -	728,340		
- - -	- - -	- - -	- - -	917,465		
5,840,235	1,801,793	389,654	8,031,682	40,483,067		

No. II.—AN ACCOUNT of the TOTAL INCOME of the REVENUES of INDIA in the Year ending the 30th April 1866, together with an Account of the PUBLIC EXPENDITURE, including REPAYMENTS, ALLOWANCES, and DRAWBACK, and ASSIGNMENTS under Treaties and Engagements, and other PAYMENTS made out of the REVENUES, but exclusive of the Sums applied to the Reduction of Debt.

HEADS OF REVENUE AND RECEIPTS.			EXPENDITURE.		
	GROSS RECEIPTS, as stated in Column I., of the Account of Income No. I.	Number of Account.			£.
Land Revenue, including Tributes and Contributions from Native States, Forest and Abkaree Revenues, &c. - - - - -	£. 23,796,085	I.	Repayments, Allowances, Refunds, and Drawback - - - - -	-	420,471
Income Tax - - - - -	692,241	"	PAYMENTS in realization of the REVENUE:		
Customs - - - - -	2,279,857	"	Charges of Collection, &c. - - - - -	-	5,840,335
Salt - - - - -	5,342,149	"	Allowances and Assignments under Treaties and Engagements - - - - -	-	1,801,793
Opium - - - - -	8,518,264	"	Allowances to District and Village Officers, &c. - - - - -	-	389,654
Stamps - - - - -	1,994,632	"			
Mint - - - - -	494,354				
Post Office - - - - -	406,466		TOTAL of the direct Claims and Demands upon the Revenues, including Charges of Collection and Cost of Salt and Opium - - - - -		
Telegraph - - - - -	190,463				8,452,153
Law and Justice - - - - -	643,628		Charges in India, including Interest on Debt, and the Value of Stores received from England - - - - -		*32,668,771
Police - - - - -	146,901	III.	*These charges, made up in India, include the sum of 505,735 £, as the value of stores from England, excluding copper, but the amount expended was 1,087,453 £.		
Marine - - - - -	198,890	"	Charges in England, excluding the Value of Stores, &c. supplied to India - - - - -		4,981,185
Education - - - - -	57,538	"	Guaranteed Interest on the Capital of Railway and other Companies, in India and in England, deducting Net Traffic Receipts - - - - -		67,043
Interest - - - - -	216,824				
Miscellaneous - - - - -	2,311,123				
Army—Miscellaneous - - - - -	728,340				
Public Works—Miscellaneous - - - - -	917,465		EXCESS of INCOME over EXPENDITURE - - - - -		2,760,068
	£. 48,935,220				£. 48,935,220

No. III.—AN ACCOUNT of the NET PUBLIC INCOME of INDIA, in the Year ending 30th April 1866 (after abating the EXPENDITURE defrayed thereout by the several REVENUE DEPARTMENTS, and the ALLOWANCES and ASSIGNMENTS under Treaties and Engagements, and other PAYMENTS made out of those REVENUES), and the actual Issues or Payments within the same Period, exclusive of the Sums applied to the Reduction of Debt.

REVENUES AND RECEIPTS:			£.	No. of Account.	CHARGES IN INDIA:			£.	£.
Land Revenue, including Tributes and Contributions from Native States, Forest and Abkaree Revenues, &c. - - }	-	-	19,109,944	30	Interest on Funded and Unfunded Debt - -	-	-	2,763,532	
Income Tax - - - - -	-	-	662,020	15	Interest on Service Funds and other Accounts -	-	-	564,119	
Customs - - - - -	-	-	1,938,004	16	Administration and Public Departments - -	-	-	1,070,266	
Salt - - - - -	-	-	4,954,453	17	Law and Justice - - - - -	-	-	2,423,206	
Opium - - - - -	-	-	6,623,982	18	Police - - - - -	-	-	2,384,330	
Stamps - - - - -	-	-	1,875,978	19	Marine - - - - -	-	-	577,957	
Mint - - - - -	-	-	321,793	20	Education, Science, and Art - - - - -	-	-	670,739	
Post Office - - - - -	-	-	69,815	21	Ecclesiastical - - - - -	-	-	154,886	
Telegraph - - - - -	-	-	81,387	22	Medical Services - - - - -	-	-	274,889	
Law and Justice - - - - -	-	-	625,569	23	Stationery and Printing - - - - -	-	-	192,516	
Police - - - - -	-	-	146,896	24	Political Agencies and other Foreign Services -	-	-	220,656	
Marine - - - - -	-	-	192,009	25	Miscellaneous - - - - -	-	-	1,281,647	
Education - - - - -	-	-	57,498	26	Superannuation, Retired, and Compassionate Allowances -	-	-	668,987	
Interest - - - - -	-	-	216,824	27	Army - - - - -	-	-	14,360,388	
Miscellaneous - - - - -	-	-	2,263,494	28	Public Works: - - - - -	-	-	5,060,703	32,668,771
Army—Miscellaneous - - - - -	-	-	728,340		Public Works - - - - -	-	-		
Public Works—Miscellaneous - - - - -	-	-	917,465		Supervision and Cost of Land for Railways -	-	-		
					Loss by Exchange on Railway Transactions -	-	-		
					Income Tax Grant - - - - -	-	-		
					CHARGES IN ENGLAND:				
					Civil Charges - - - - -	-	-	639,536	
					Military Charges - - - - -	-	-	2,402,882	
					Marine Charges - - - - -	-	-	59,032	
					Interest on Debt - - - - -	-	-	3,101,450	
					Guaranteed Interest on the Capital of Railway and other Companies in India and in England - - - }	-	-	1,879,735	4,981,185
					Less,—Net Traffic Receipts - - - - -	-	-	2,932,844	
								2,865,801	
					Excess of Income over Expenditure - - - - -	-	-	67,043	67,043
									2,763,068
									40,483,067

No. IV.—ABSTRACT ACCOUNT of the aggregate of BALANCES of CASH in the TREASURIES of INDIA, on the 30th April 1865; the Amount of DEBT incurred and discharged during the Year 1865–66; the Amount of ADVANCES and REPAYMENTS on various Accounts; the SUPPLIES to and from LONDON; the BALANCE of SUPPLIES between the several Presidencies and Provinces on Unadjusted Accounts; and the TOTAL BALANCE in the Indian Treasuries on the 30th April 1866.

No. of Account.	£.	No. of Account.	DEBT DISCHARGED:	£.
32	Aggregate of Balances in the Treasuries of India on the 30th April 1865	32	Loans - - - - -	3,922,008
			Treasury Notes - - - - -	248,181
			Treasury Bills discharged - - - - -	10,610
			Bills outstanding - - - - -	20,330
			Deposits - - - - -	548,669
			Investment of Sale Proceeds of Waste Lands - - - - -	47,194
			Prize Money discharged - - - - -	45,711
			Local Remittances - - - - -	42,066
			Supplies to London:	4,884,769
			Remittances and Bills drawn by the Secretary of State discharged, Advances to Railway and other Companies, and Miscellaneous Payments on account of London - - - - -	10,606,235
			Less,—Bills drawn on England, Payments in England for Interest on India Loan Property, Receipts in Repayment of Advances made in England to Service Funds, Net Traffic Receipts of Railways, &c. - - - - -	4,871,285
			Balance of Supplies between the different Presidencies and Provinces (on unadjusted Accounts) - - - - -	5,794,950
			Balance of Cash in the Treasuries of India on the 30th April 1866 - - - - -	25,391
				13,771,625
			£.	24,416,735

No. of Account.	£.	No. of Account.	DEBT INCURRED:	£.
32	Aggregate of Balances in the Treasuries of India on the 30th April 1865		Loans - - - - -	2,943,861
			Treasury Notes issued - - - - -	203,965
			Treasury Bills - - - - -	12,100
			Civil, Military, and other Service Funds - - - - -	286,085
			Sale of Waste Lands - - - - -	63,320
			Local Funds - - - - -	123,113
			Miscellaneous - - - - -	23,318
			Advances made by Government, including Tuccave Advances:	
			Repayments - - - - -	2,119,310
			Advances - - - - -	1,811,530
				307,780
				3,963,542
				7,814,296
			Local Indian Surplus - - - - -	
			£.	24,416,735

A P P E N D I X.

FINANCE AND REVENUE ACCOUNTS,

1865-66.

- | | | | | | | | |
|----------------------------------|---|---|---|---|---|---|---------------|
| I.—District Revenues and Charges | - | - | - | - | - | - | pp. 12 to 22. |
| II.—Sundry Abstract Accounts | - | - | - | - | - | - | pp. 23 to 66. |

No. 1.—AN ACCOUNT of the GROSS REVENUES of the TREASURIES and DEPARTMENTS under the immediate Control of the Government of *India*, for the Year 1865-66; with the CHARGES of COLLECTION and other PAYMENTS out of those REVENUES, the NET RECEIPTS into the several Government Treasuries, and the Rates per Cent. for which the Gross Receipts were Collected.

REVENUES AND RECEIPTS.		1.	2.	3.	CHARGES AGAINST INCOME.			7.	8.
					4.	5.	6.		
		GROSS RECEIPTS.	Repayments, ——— Allowances, Refunds, and Drawback.	NET RECEIPTS within the Year, after deducting Repayments.	CHARGES of COLLECTION.	Allowances and Assignments under Treaties and Engagements.	TOTAL CHARGES against INCOME.	NET RECEIPTS into the several Government Treasuries.	Rate per Cent. for which the Gross Receipt was Collected.
		£.	£.	£.	£.	£.	£.	£.	
LAND REVENUE, &c.									
Land Revenue	- - - - -	20,200	-	20,200	9,757				
Tributes and Contributions from Native States	- - - - -	248,647	-	248,647	—				
Forest	- - - - -	13,212	-	13,212	2,998				
Abkaree (Excise)	- - - - -	16,484	-	16,484	2,830				
		298,543	-	298,543	15,585	166,683	182,268	116,275	5·220
TOTAL Land Revenue, &c.									
Income Tax	- - - - -	37,269	377	36,892	-	-	-	36,892	
Stamps	- - - - -	5,479	214	5,265	212	-	212	5,053	3·869
Mint	- - - - -	215,161	-	215,161	75,426	-	75,426	139,735	35·055
Post Office	- - - - -	406,466	42,977	363,489	433,304	-	433,304	{ Excess charge 69,815 }	106·602
Telegraph	- - - - -	190,463	348	190,115	271,502	-	271,502	{ Excess charge 81,387 }	142·548
Law and Justice	- - - - -	42,517	-	42,517	-	-	-	42,517	
Police	- - - - -	1,888	-	1,888	-	-	-	1,888	
Education	- - - - -	4,114	-	4,114	-	-	-	4,114	
Interest	- - - - -	193,628	-	193,628	-	-	-	193,628	
Miscellaneous	- - - - -	2,072,573	55	2,072,518	-	-	-	2,072,518	
Army—Miscellaneous	- - - - -	424,632	-	424,632	-	-	-	424,632	
Public Works—Miscellaneous	- - - - -	779	-	779	-	-	-	779	
		3,893,512	43,971	3,849,541	796,029	166,683	962,712	2,886,829	
TOTAL		£.							

No. 2.—AN ACCOUNT of the GROSS REVENUES of the OUDE TERRITORY, for the Year 1865-66, with the CHARGES of COLLECTION and other Payments out of those REVENUES; the NET RECEIPTS into the several Government Treasuries, and the Rates per Cent. for which the Gross Receipts were collected.

REVENUES AND RECEIPTS.	1. GROSS RECEIPTS.	2. Repayments. — Allowances, Refunds, and Drawback.	3. NET RECEIPTS within the Year, after deducting Repayments.	CHARGES AGAINST INCOME.				8. NET RECEIPTS into the several Government Treasuries.	9. Rate per Cent. for which the Gross Receipt was Collected.
				4. CHARGES of COLLECTION.	5. Allowances and Assignments under Treaties and Engagements.	6. Allowances to District and Village Officers, &c.	7. TOTAL CHARGES against INCOME.		
	£.	£.	£.	£.	£.	£.	£.	£.	
LAND REVENUE, &c.									
Land Revenue - - - -	1,183,164	137	1,133,027	125,701					
Forest - - - -	11,997	-	11,997	5,877					
Abkaree (Excise) - - - -	74,221	3	74,218	8,523					
Total Land Revenue, &c. -	1,219,382	140	1,219,242	140,101	80,982	293	221,376	997,866	11.489
Income Tax - - - -	11,224	250	10,974	81	-	-	81	10,893	.721
Salt - - - -	2,731	106	2,625	6,437	-	-	6,437	{ Excess charge 3,812 }	235.701
Stamps - - - -	56,256	1,127	55,129	3,239	-	-	3,239	51,890	5.757
Law and Justice - - - -	11,923	461	11,462	-	-	-	-	11,462	
Police - - - -	6,909	-	6,909	-	-	-	-	6,909	
Education - - - -	522	-	522	-	-	-	-	522	
Interest - - - -	150	-	150	-	-	-	-	150	
Miscellaneous - - - -	2,856	108	2,748	-	-	-	-	2,748	
Public Works—Miscellaneous - - -	1,144	-	1,144	-	-	-	-	1,144	
Total - - - - £.	1,313,097	2,192	1,310,905	149,858	80,982	293	231,133	1,079,772	

No. 3.—AN ACCOUNT of the GROSS REVENUES of the CENTRAL PROVINCES for the Year 1865-66; with the CHARGES of COLLECTION and other PAYMENTS out of those REVENUES, the NET RECEIPTS into the several Government Treasuries, and the Rates per Cent. for which the Gross Receipts were Collected.

REVENUES AND RECEIPTS.		1.	2.	3.	CHARGES AGAINST INCOME.			7.	8.
					4.	5.	6.		
		GROSS RECEIPTS.	Repayments, — Allowances, Refunds, and Drawback.	NET RECEIPTS within the Year, after deducting Repayments.	CHARGES of COLLECTION.	Allowances and Assignments under Treaties and Engagements.	TOTAL CHARGES against INCOME.	NET RECEIPTS into the several Government Treasuries.	Rate per Cent. for which the Gross Receipt was Collected.
		£.	£.	£.	£.	£.	£.	£.	
LAND REVENUE, &c.									
Land Revenue -	-	592,604	31,715	560,889	139,907				
Forest -	-	13,404	77	13,327	10,783				
Abkaree (Excise) -	-	95,431	516	94,915	2,871				
Total Land Revenue, &c.		701,439	32,308	669,131	153,561	112,033	265,594	403,537	21.892
Income Tax -	-	7,646	71	7,575	50	-	50	7,525	.653
Customs -	-	9,877	-	9,877	-	-	-	9,877	
Salt -	-	172,745	-	172,745	39,372	-	39,372	133,373	22.791
Stamps -	-	58,819	997	57,822	2,232	-	2,232	55,590	3.794
Law and Justice -	-	19,236	1,303	17,933	-	-	-	17,933	
Police -	-	13,238	-	13,238	-	-	-	13,238	
Education -	-	58	-	58	-	-	-	58	
Miscellaneous -	-	4,106	190	3,916	-	-	-	3,916	
Public Works—Miscellaneous -	-	3,833	-	3,833	-	-	-	3,833	
TOTAL		991,002	34,869	956,133	195,215	112,033	307,248	648,885	

No. 4.—AN ACCOUNT of the GROSS REVENUES of the PROVINCE of BRITISH BURMAH for the Year 1865-66; with the CHARGES of COLLECTION and other PAYMENTS out of those REVENUES, the NET RECEIPTS into the several Government Treasuries, and the Rates per Cent. for which the Gross Receipts were Collected.

REVENUES AND RECEIPTS.	I. GROSS RECEIPTS.	2. Repayments, — Allowances, Refunds, and Drawback.	3. NET RECEIPTS within the Year, after deducting Repayments.	CHARGES AGAINST INCOME.		6. NET RECEIPTS into the several Government Treasuries.	7. Rate per Cent. for which the Gross Receipt was Collected.
				4. CHARGES of COLLECTION.	5. TOTAL CHARGES against INCOME.		
LAND REVENUE, &c.							
Land Revenue -	£. 527,763	£. 624	£. 527,139	£. 78,631	£. 116,410	£. 597,445	16·288
Forest -	89,849	-	89,849	31,194			
Abkaree (Excise) -	97,064	197	96,867	6,585			
Total Land Revenue, &c. -	714,676	821	713,855	116,410			
Income Tax -	4,712	20	4,692	203	203	4,489	4·308
Customs -	191,271	18,165	173,106	12,394	12,394	160,712	6·479
Salt -	5,658	-	5,658	427	427	5,231	7·546
Stamps -	37,051	347	36,704	948	948	35,756	2·558
Law and Justice -	62,732	536	62,196	-	-	62,196	
Police -	10,993	-	10,993	-	-	10,993	
Marine -	4,883	-	4,883	-	-	4,883	
Education -	247	-	247	-	-	247	
Interest -	459	-	459	-	-	459	
Miscellaneous -	2,240	149	2,091	-	-	2,091	
Public Works—Miscellaneous -	2,338	-	2,338	-	-	2,338	
TOTAL - - - £.	1,037,260	20,038	1,017,222	130,382	130,382	886,840	

No. 5.—AN ACCOUNT of the GROSS REVENUES of the EAST and WEST BERAR DISTRICTS for the Year 1865-66; with the CHARGES of COLLECTION and other PAYMENTS out of those REVENUES, the NET RECEIPTS into the several Government Treasuries, and the Rates per Cent. for which the Gross Receipts were Collected.

REVENUES AND RECEIPTS.	1. GROSS RECEIPTS.	2. Repayments, — Allowances, Refunds, and Drawback.	3. NET RECEIPTS within the Year, after deducting Repayments.	CHARGES AGAINST INCOME.			7. NET RECEIPTS into the several Government Treasuries.	8. Rate per Cent. for which the Gross Receipt was Collected.
				4. CHARGES of COLLECTION.	5. Allowances and Assignments under Treaties and Engagements.	6. TOTAL CHARGES against INCOME.		
LAND REVENUE, &c.								
Land Revenue	£. 395,104	£. 521	£. 394,583	£. 53,661		£.		
Forest	1,511	-	1,511	899				
Abkaree (Excise)	75,301	10	75,291	—				
Total Land Revenue, &c.	471,916	531	471,385	54,560	16,013	70,573	400,812	11·561
Income Tax	566	8	558	-	-	-	558	
Salt	3,832	-	3,832	-	-	-	3,832	
Stamps	23,982	616	23,366	952	-	952	22,414	3·969
Law and Justice	3,097	5	3,092	-	-	-	3,092	
Police	4,847	-	4,847	-	-	-	4,847	
Education	368	-	368	-	-	-	368	
Interest	125	-	125	-	-	-	125	
Miscellaneous	1,659	163	1,496	-	-	-	1,496	
Public Works—Miscellaneous	3,220	-	3,220	-	-	-	3,220	
Total	513,612	1,323	512,289	55,512	16,013	71,525	440,764	

No. 6.—AN ACCOUNT of the GROSS REVENUES of the EASTERN SETTLEMENTS for the Year 1865-66; with the CHARGES of COLLECTION and other Payments out of those REVENUES, the NET RECEIPTS into the several Government Treasuries, and the Rates per Cent. for which the Gross Receipts were Collected.

REVENUES AND RECEIPTS.	1. GROSS RECEIPTS.	2. NET RECEIPTS within the Year, after deducting Repayments.	CHARGES AGAINST INCOME.				6. NET RECEIPTS into the several Government Treasuries.	7. Rate per Cent. for which the Gross Receipt was Collected.
			3. CHARGES of COLLECTION.	4. Allowances and Assignments under Treaties and Engagements.	5. TOTAL CHARGES against INCOME.	£.		
LAND REVENUE, &c.	£.	£.	£.	£.	£.	£.		
Land Revenue	10,859	10,859	3,352					
Forest	286	286	24					
Abkaree (Excise)	126,913	126,913	—					
Total Land Revenue, &c.	138,058	138,058	3,376	4,940	8,316	129,742	2·445	
Customs	339	339	838	-	838	Excess Charge 499	247·197	
Stamps	26,658	26,658	2,214	-	2,214	24,444	8·305	
Law and Justice	10,161	10,161	-	-	-	10,161		
Marine	6,819	6,819	-	-	-	6,819		
Miscellaneous	12,406	12,406	-	-	-	12,406		
Public Works—Miscellaneous	767	767	-	-	-	767		
TOTAL	195,208	195,208	6,428	4,940	11,368	183,840		

No. 8.—AN ACCOUNT of the GROSS REVENUES of the NORTH WESTERN PROVINCES, for the Year 1865-66, with the CHARGES of COLLECTION and other Payments out of those REVENUES; the NET RECEIPTS into the several Government TREASURIES, and the Rates per Cent. for which the Gross Receipts were collected.

REVENUES AND RECEIPTS.	1.	2.	3.	CHARGES AGAINST INCOME.					8.	9.	
	GROSS RECEIPTS.	Repayments, — Allowances, Refunds, and Drawback.	NET RECEIPTS within the Year, after deducting Repayments.	4. CHARGES of COLLECTION.	5. Allowances and Assignments under Treaties and Engagements.	6. Allowances to District and Village Officers, &c.	7. TOTAL CHARGES against INCOME.	NET RECEIPTS into the several Government Treasuries.	Rate per Cent. for which the Gross Receipt was Collected.		
LAND REVENUE, &c.											
Land Revenue - - - - -	£. 4,212,914	£. 4,162	£. 4,208,752	£. 308,966	£.	£.	£.	£.			
Forest - - - - -	61,141	28	61,113	27,222							
Abkaree (Excise) - - - - -	201,640	416	201,224	32,388							
Total Land Revenue, &c. - - -	4,475,695	4,606	4,471,089	368,576	89,953	4,567	463,066	4,007,993	8.235		
Income Tax - - - - -	68,483	1,100	67,383	884	-	-	884	66,499	1.290		
Customs - - - - -	61,449	75	61,374	-	-	-	-	61,374			
Salt - - - - -	484,454	4	484,450	62,021	-	-	62,021	422,429	12.802		
Stamps - - - - -	256,270	4,923	251,347	15,246	-	-	15,246	236,101	5.949		
Law and Justice - - - - -	68,009	1,552	66,457	-	-	-	-	66,457			
Police - - - - -	47,754	-	47,754	-	-	-	-	47,754			
Education - - - - -	5,975	-	5,975	-	-	-	-	5,975			
Interest - - - - -	124	-	124	-	-	-	-	124			
Miscellaneous - - - - -	35,358	28,463	6,895	-	-	-	-	6,895			
Public Works—Miscellaneous - - -	192,127	-	192,127	-	-	-	-	192,127			
TOTAL - - - - -	5,695,698	40,723	5,654,975	446,727	89,953	4,567	541,247	5,113,728			

No. 9.—AN ACCOUNT of the GROSS REVENUES of the PUNJAB TERRITORIES, for the Year 1865-66, with the CHARGES of COLLECTION and other PAYMENTS out of those REVENUES; the NET RECEIPTS into the several Government Treasuries, and the Rates per Cent. for which the Gross Receipts were collected.

REVENUES AND RECEIPTS.	1.	2.	3.	CHARGES AGAINST INCOME.				8.	9.
	GROSS RECEIPTS.	Repayments, — Allowances, Refunds, and Drawback.	NET RECEIPTS within the Year, after deducting Repayments.	4.	5.	6.	7.	NET RECEIPTS into the several Government Treasuries.	Rate per Cent. for which the Gross Receipt was Collected.
				CHARGES of COLLECTION.	Allowances and Assignments under Treaties and Engagements.	Allowances to District and Village Officers, &c.	TOTAL CHARGES against INCOME.		
LAND REVENUE, &c.	£.	£.	£.	£.	£.	£.	£.	£.	
Land Revenue	1,899,436	5,489	1,893,947	177,402					
Tributes and Contributions from Native States	28,485	-	28,485	—					
Forest	35,068	31	35,037	27,106					
Abkaree (Excise)	81,732	98	81,634	7,237					
Total Land Revenue, &c.	2,044,721	5,618	2,039,103	211,745	112,158	1,745	325,648	1,713,455	10.355
Income Tax	22,125	46	22,079	195	-	-	195	21,884	.881
Customs	99,475	469	99,006	31,084	-	-	31,084	67,922	31.248
Salt	685,322	60	685,262	32,244	-	-	32,244	653,018	4.704
Stamps	128,448	2,994	125,454	3,644	-	-	3,644	121,810	2.836
Law and Justice	70,749	2,716	68,033	-	-	-	-	68,033	
Police	32,966	-	32,966	-	-	-	-	32,966	
Marine	1,552	-	1,552	-	-	-	-	1,552	
Education	4,257	-	4,257	-	-	-	-	4,257	
Interest	3	-	3	-	-	-	-	3	
Miscellaneous	15,129	510	14,619	-	-	-	-	14,619	
Public Works—Miscellaneous	116,877	-	116,877	-	-	-	-	116,877	
TOTAL	3,221,624	12,413	3,209,211	278,912	112,158	1,745	392,815	2,816,396	

No. 10.—AN ACCOUNT of the Gross REVENUES of the PRESIDENCY of MADRAS for the Year 1865-66; with the CHARGES of COLLECTION and other PAYMENTS out of those REVENUES, the NET RECEIPTS into the several Government Treasuries, and the Rates per Cent. for which the Gross Receipts were Collected.

	1. GROSS RECEIPTS.	2. Repayments, — Allowances, Refunds, and Drawback.	3. NET RECEIPTS within the Year, after deducting Repayments.	CHARGES AGAINST INCOME.				8. NET RECEIPTS into the several Government Treasuries.	9. Rate per Cent. for which the Gross Receipt was Collected.
				4. CHARGES of COLLECTION.	5. Allowances and Assignments under Treaties and Engagements.	6. Allowances to District and Village Officers, &c.	7. TOTAL CHARGES against INCOME.		
	£.	£.	£.	£.	£.	£.	£.	£.	
LAND REVENUE, &c.									
Land Revenue	4,306,505	5,947	4,300,558	308,452					
Tributes and Contributions from Native States	344,644	-	344,644	—					
Forest	36,588	24	36,564	25,642					
Abkaree (Excise)	414,718	1	414,717	27,042					
Total Land Revenue, &c.	5,102,455	5,972	5,096,483	451,136	297,273	35,890	784,299	4,312,184	8.841
Income Tax	72,399	892	71,507	1,743	-	-	1,743	69,764	2.407
Customs	208,553	15,104	193,449	16,569	-	-	16,569	176,880	7.944
Salt	1,012,760	-	1,012,760	148,769	-	-	148,769	863,991	
Stamps	306,485	3,450	303,035	12,412	-	-	12,412	290,623	
Mint	68,363	-	68,363	21,481	-	-	21,481	46,882	
Law and Justice	60,644	1,368	59,276	-	-	-	-	59,276	
Police	7,326	-	7,326	-	-	-	-	7,326	
Marine	3,120	-	3,120	-	-	-	-	3,120	
Education	4,048	-	4,048	-	-	-	-	4,048	
Interest	10,758	-	10,758	-	-	-	-	10,758	
Miscellaneous	40,498	3,567	36,931	-	-	-	-	36,931	
Army—Miscellaneous	144,837	-	144,837	-	-	-	-	144,837	
Public Works—Miscellaneous	16,771	-	16,771	-	-	-	-	16,771	
Total	7,050,017	80,853	7,028,664	632,110	297,273	35,890	985,273	6,043,391	

No. 11.—AN ACCOUNT of the Gross Revenues of the PRESIDENCY OF BOMBAY (including Sind), for the Year 1865-66, with the CHARGES of COLLECTION and other PAYMENTS out of those REVENUES; the NET RECEIPTS into the several Government Treasuries, and the Rates per Cent. for which the Gross Receipts were collected.

REVENUES AND RECEIPTS.		1.	2.	3.	CHARGES AGAINST INCOME.				8.	9.
		GROSS RECEIPTS.	Repayments. — Allowances, Refunds, and Drawback.	NET RECEIPTS within the Year, after deducting Repayments.	4. CHARGES of COLLECTION.	5. Allowances and Assignments under Treaties and Engagements.	6. Allowances to District and Village Officers, &c.	7. TOTAL CHARGES against INCOME.	NET RECEIPTS into the several Government Treasuries.	Rate per Cent. for which the Gross Receipt was Collected.
		£.	£.	£.	£.	£.	£.	£.	£.	
LAND REVENUE, &c.										
Land Revenue	- - - - -	3,555,063	16,692	3,538,371	362,741					
Tributes and Contributions from Native States	- - - - -	87,856	-	87,856	—					
Forest	- - - - -	100,761	209	100,552	77,505					
Abkaree (Excise)	- - - - -	385,012	140	384,872	42,595					
Total Land Revenue, &c.		4,128,692	17,041	4,111,651	482,841	735,134	347,159	1,565,134	2,546,517	11·694
Income Tax	- - - - -	280,193	1,382	278,811	6,585	-	-	6,585	272,226	2·350
Customs	- - - - -	761,211	59,917	701,294	85,488	-	-	85,488	615,806	11·230
Salt	- - - - -	542,901	-	542,901	31,719	-	-	31,719	511,182	5·842
Opium	- - - - -	2,128,025	-	2,128,025	3,258	-	-	3,258	2,124,767	·153
Stamps	- - - - -	489,285	3,203	486,082	18,365	-	-	18,365	467,727	3·751
Mint	- - - - -	210,830	-	210,830	75,654	-	-	75,654	135,176	35·883
Law and Justice	- - - - -	114,888	1,184	113,704	-	-	-	-	113,704	
Police	- - - - -	10,120	3	10,117	-	-	-	-	10,117	
Marine	- - - - -	88,378	-	88,378	-	-	-	-	88,378	
Education	- - - - -	9,831	7	9,824	-	-	-	-	9,824	
Interest	- - - - -	10,691	-	10,691	-	-	-	-	10,691	
Miscellaneous	- - - - -	46,486	1,195	45,291	-	-	-	-	45,291	
Army—Miscellaneous	- - - - -	158,871	-	158,871	-	-	-	-	158,871	
Public Works—Miscellaneous	- - - - -	548,978	-	548,978	-	-	-	-	548,978	
TOTAL		9,529,380	83,932	9,445,448	703,900	735,134	347,159	1,786,193	7,659,255	

No. 12.—GENERAL ABSTRACT ACCOUNT of the RECEIPTS under the Heads of “Tributes and Contributions from Native States,” in the Year ended the 30th April 1866.

		£.	£.
GOVERNMENT OF INDIA—GENERAL AND POLITICAL.			
Tributes from the undermentioned States :			
Kotah - - - - -		53,066	
Odeypore - - - - -		19,214	
Jhalwar - - - - -		8,500	
Banswarra - - - - -		4,108	
Doongerpore - - - - -		4,108	
Jeypore - - - - -		40,000	
Joudpore - - - - -		9,800	
Boondee - - - - -		6,000	
Various Petty States - - - - -		13,566	
Nizam's Government on account of Mahratta Choute - - - - -		10,811	
Contributions :			
Joudpore - - - - -		21,220	
Kotah - - - - -		10,000	
Bhopal - - - - -		18,182	
Various Petty States - - - - -		30,072	
PUNJAB:			248,647
Tributes from the undermentioned States :			
Mundee - - - - -		10,000	
Kupoorthulla - - - - -		13,100	
Chumba - - - - -		1,225	
Various Petty States - - - - -		4,160	
MADRAS:			28,485
Peishcush and Subsidy:			
Mysore Government - - - - -		245,000	
Travancore - ditto - - - - -		79,644	
Cochin - ditto - - - - -		20,000	
BOMBAY AND SIND:			344,644
Tributes from the undermentioned States :			
Subsidy from the Cutch Government - - - - -		18,695	
Kattywar Tribute - - - - -		59,318	
Various Petty States - - - - -		5,194	
Contributions :			
Jagheerdars Southern Mahratta Country, &c. - - - - -		4,649	
TOTAL TRIBUTES and CONTRIBUTIONS from NATIVE STATES - - - £.			709,632

No. 13.—GENERAL ABSTRACT ACCOUNT of the CHARGES of COLLECTION on the PUBLIC INCOME of INDIA, for the Year ended the 30th April 1866.

4. CHARGES OF COLLECTION OF THE LAND REVENUE.			£.	£.
GOVERNMENT OF INDIA—GENERAL AND POLITICAL.				
Collectors of Revenue; Salaries, Establishment and Contingent Charges	-	-	8,073	
Revenue Survey and Settlement Charges	-	-	1,684	9,757
Oude :				
Deputy Commissioners; Salaries, Establishment and Contingent Charges	-	-	54,556	
Charges on Account of Khas Mehal Collections	-	-	51	
Revenue Survey and Settlement Charges	-	-	71,094	125,701
Central Provinces :				
Deputy Commissioners; Salaries, Establishment and Contingent Charges	-	-	59,594	
Revenue Survey and Settlement Charges	-	-	80,313	139,907
British Burmah :				
Deputy Commissioners; Salaries, Establishment and Contingent Charges	-	-	34,794	
Commission on Collection of Land Tax	-	-	42,852	
Land Settlement Charges	-	-	985	78,631
East and West Berar :				
Second Assistant Resident and Deputy Commissioners; Salaries, Establishment and Contingent Charges	-	-	41,159	
Revenue Survey; Salaries, Establishment and Contingent Charges	-	-	12,502	53,661
Eastern Settlements :				
Collectors of Revenue (Land Office) Establishment and Contingent Charges	-	-	1,582	
Revenue Survey	-	-	1,770	3,352
Bengal :				
Collectors of Revenue; Salaries, Establishment and Contingent Charges	-	-	216,139	
Charges on Account of Khas Mehals	-	-	13,377	
Revenue Survey and Settlement Charges	-	-	63,714	
Law Charges	-	-	8,096	301,326
North Western Provinces :				
Collectors of Revenue; Salaries, Establishment and Contingent Charges	-	-	260,336	
Charges on Account of Khas Mehals	-	-	592	
Revenue Survey and Settlement Charges	-	-	48,038	308,966
Punjab :				
Deputy Commissioners; Salaries, Establishment and Contingent Charges	-	-	155,862	
Revenue Survey and Settlement	-	-	21,540	177,402
Madras :				
Collectors of Revenue; Salaries, Establishment and Contingent Charges	-	-	302,319	
Revenue Survey and Settlement Charges	-	-	82,122	
Enam Commission; Salaries, Establishment and Contingent Charges	-	-	11,448	
Europe Stores	-	-	2,563	398,452
Bombay and Sind :				
Collectors of Revenue; Salaries, Establishment and Contingent Charges	-	-	265,515	
Revenue Survey and Settlement Charges	-	-	97,226	362,741
TOTAL CHARGES of COLLECTION of the LAND REVENUE			£.	1,959,896
Carried forward			£.	1,959,896

No. 13.—General Abstract of Charges of Collection on Public Income of India, for Year ended 30 April 1866—*cont^d*.

		Brought forward - - -	£. 1,959,896
5. FOREST—CHARGES OF COLLECTION.			
GOVERNMENT OF INDIA—GENERAL AND POLITICAL:			
			£.
Superintendents: Establishment and Contingent Charges	- - - - -		2,998
Oude:			
Superintendents: Establishment and Contingent Charges	- - - - -		5,877
Central Provinces:			
Superintendents: Establishment and Contingent Charges	- - - - -		10,783
British Burmah:			
Superintendents: Establishment and Contingent Charges	- - - - -		31,194
East and West Berar:			
Superintendents: Establishment and Contingent Charges	- - - - -		899
Eastern Settlements:			
Miscellaneous Charges	- - - - -		24
Bengal:			
Superintendents: Establishment and Contingent Charges	- - - - -		4,529
North-Western Provinces:			
Superintendents: Establishment and Contingent Charges	- - - - -		27,222
Punjab:			
Superintendents: Establishment and Contingent Charges	- - - - -		27,106
Madras:			
Superintendents: Establishment and Contingent Charges	- - - - -		25,642
Bombay and Sind:			
Superintendents: Establishment and Contingent Charges	- - - - -		77,505
TOTAL CHARGES of COLLECTION of the FOREST REVENUES		- - - £.	218,779
6. ABKAREE—CHARGES OF COLLECTION.			
GOVERNMENT OF INDIA—GENERAL AND POLITICAL:			
Salaries, Establishment and Contingencies	- - - - -		2,880
Oude:			
Salaries of Superintendents: Establishment and Contingencies, including Cost of Abkaree	} Opium - - - - -		8,523
Opium			
Central Provinces:			
Salaries of Superintendents: Establishment and Contingencies	- - - - -		2,871
British Burmah:			
Miscellaneous Charges, including Cost of Abkaree Opium	- - - - -		6,585
Bengal:			
Establishment and Contingent Charges, including Cost of Abkaree Opium	- - - - -		112,943
North-Western Provinces:			
Salaries of Superintendents: Establishment and Contingencies, including Cost of Abkaree	} Opium - - - - -		32,388
Opium			
Punjab:			
Salaries of Superintendents: Establishment and Contingencies	- - - - -		7,237
Madras:			
Establishment and Contingent Charges	- - - - -		27,042
Bombay and Sind:			
Salaries of Superintendents: Establishment and Contingencies, including Cost of Abkaree	} Opium - - - - -		42,595
Opium			
TOTAL CHARGES of COLLECTION of the ABKAREE REVENUE		- - - £.	243,014
		Carried forward - - - £.	2,416,689

No. 13.—General Abstract of Charges of Collection on Public Income of India, for Year ended 30 April 1866—*contd.*

	£.	£.
Brought forward - - -	- - -	2,416,689
7. INCOME TAX—CHARGES OF COLLECTION :		
Oude :		
Establishment and Contingent Charges - - - - -	81	
Central Provinces :		
Establishment and Contingent Charges - - - - -	50	
British Burmah :		
Establishment and Contingent Charges - - - - -	203	
Bengal :		
Establishment and Contingent Charges - - - - -	6,379	
North-Western Provinces :		
Establishment and Contingent Charges - - - - -	884	
Punjab :		
Establishment and Contingent Charges - - - - -	195	
Madras :		
Establishment and Contingent Charges - - - - -	1,743	
Bombay and Sind :		
Establishment and Contingent Charges - - - - -	6,585	
TOTAL CHARGES of COLLECTION of the INCOME TAX REVENUE - - - £.		16,620
8. CUSTOMS—CHARGES OF COLLECTION :		
British Burmah :	£.	
Collectors of Customs : Salaries, Establishment and Contingent Charges - - -	- - -	12,394
Eastern Settlements :		
Salaries, Establishment and Contingent Charges - - - - -	- - -	838
Bengal :		
Collector of Sea Customs at the Presidency : Salaries, Establishment and Contingent Charges - - - - -	59,042	
Salaries, Establishment and Contingent Charges in the Districts - - -	2,099	
		61,141
Punjab :		
Collectors of Customs : Salaries, Establishment and Contingent Charges - - -	- - -	31,084
Madras :		
Collector of Sea Customs at the Presidency : Salaries, Establishment and Contingent Charges - - - - -	8,902	
Salaries : Establishment and Contingent Charges in the Districts, including Land Customs Establishment - - - - -	7,667	
		16,569
Bombay and Sind :		
Commissioner and Deputy Commissioner of Customs at the Presidency : Salaries, Establishment and Contingent Charges - - - - -	47,485	
Salaries, Establishment and Contingent Charges in the Districts - - -	38,003	
		85,488
TOTAL CHARGES of Collection of the CUSTOMS REVENUES - - - £.		207,514
Carried forward - - - £.		2,640,823

No. 13.—General Abstract of Charges of Collection on Public Income of India, for Year ended 30 April 1866—*contd.*

	£.	£.
Brought forward - - -	-	2,640,823
9. SALT—CHARGES OF COLLECTION, including COST OF SALT:		
Oude :	£.	
Salary of Assistant Commissioner: Establishment and Contingent Charges - - -	6,437	
Central Provinces :		
Collectors: Salaries, Establishment and Contingent Charges - - -	39,372	
British Burmah :		
Commission on Collections - - -	427	
Bengal :		
Superintendent of Salt Golahs at Sulkea: Salary, Establishment and } Contingent Charges - - - - - }	6,915	
Salt Agents: Salaries, Establishment and Contingent Charges - - -	11,236	
		18,151
North-Western Provinces :		
Commissioner: Salaries, Establishment and Contingent Charges - - -	5,242	
Salaries of Deputy Commissioners and Collectors: Establishment and } Contingent Charges - - - - - }	40,478	
Saltpetre: Establishment and Contingent Charges - - -	16,301	
		62,021
Punjab :		
Salaries of Collectors: Establishment and Contingent Charges - - -	30,869	
Per-centage to Salt Mine Mallicks - - -	1,375	
		32,244
Madras :		
Salaries of Deputy Collectors: Establishment and Contingent Charges - - -	42,962	
Charges for the provision of Salt - - -	105,807	
		148,769
Bombay and Sind :		
Salaries, Establishment and Contingent Charges - - -	31,719	
TOTAL CHARGES of Collection of the SALT REVENUE, including Cost of SALT - - -	£.	339,140
Carried forward - - -	£.	2,979,963

No. 13.—General Abstract of Charges of Collection on Public Income of India, for Year ended 30 April 1866—*contd.*

	£.	£.
Brought forward - - -	-	2,979,963
10.—OPIUM—CHARGES of COLLECTION, including Cost of OPIUM :		
Bengal :	£.	
Agents for the provision of Opium: Salaries, Establishment and Contingencies of the Agents and Sub-deputy Agents, including Commission to the Sub-deputy Agents, and Amlahs, &c. :		
In Behar - - - - -	£. 44,516	
In Benares - - - - -	47,651	
	92,167	
Transit and Freight Charges - - - - -	31,398	
Salary of the Opium Examiners - - - - -	240	
Commission to Auctioneers for Sale of Opium - - - - -	2,594	
Godown Establishment and Miscellaneous Charges at Calcutta - - -	1,029	
Advances to Manufacturers :	£.	
In Behar - - - - -	995,509	
In Benares - - - - -	768,075	
	1,763,584	
Bombay and Sind :		1,891,012
Salary, Establishment and Contingent Charges of the Deputy and Assistant Agents - - - - -	-	3,258
TOTAL CHARGES of COLLECTION of the OPIUM REVENUE, including Cost of OPIUM - - - £.		1,894,270
11.—STAMPS—CHARGES of COLLECTION :		
GOVERNMENT OF INDIA—GENERAL AND POLITICAL :		
Establishment and Contingent Charges - - - - -	54	
Discount on Sale of Stamps - - - - -	158	
		212
Oude :		
Proportion of Salaries of the Superintendent and Deputy Superintendent, Establishment and Contingent Charges - - - - -	1,182	
Discount on Sale of Stamps - - - - -	2,057	
		3,239
Central Provinces :		
Discount on Sale of Stamps and Miscellaneous Charges - - - - -	-	2,232
British Burmah :		
Establishment and Contingent Charges - - - - -	83	
Discount on Sale of Stamps - - - - -	865	
		948
East and West Berar :		
Discount on Sale of Stamps and Miscellaneous Charges - - - - -	-	952
Eastern Settlements :		
Establishment and Contingent Charges - - - - -	-	2,214
Bengal :		
Salary of the Superintendent of Stamps, Establishment of the Stamp Office at the Presidency, and Contingent Charges - - - - -	7,775	
Cost of Water-marked Paper - - - - -	6,370	
Collector of Calcutta Stamps: Establishment and Contingent Charges -	304	
Establishment, &c. under the Collectors in the Provinces - - - - -	395	
Discount on Sale of Stamps - - - - -	14,337	
		29,181
Carried forward - - - £.	38,978	4,874,233

No. 13.—General Abstract of Charges of Collection on Public Income of India, for Year ended 30 April 1866—*contd.*

Brought forward - - -		£.	£.
		38,978	4,874,233
11.—STAMPS.—Charges of Collection— <i>continued.</i>		£.	
North-Western Provinces :			
Proportion of Salary of the Commissioner, Establishment and Contingent Charges - - - - -	2,066		
Establishment and Contingent Charges under Collectors - - - -	2,291		
Discount on Sale of Stamps - - - - -	10,889		
		15,246	
Punjab :			
Discount on Sale of Stamps - - - - -	3,175		
Miscellaneous Charges - - - - -	469		
		3,644	
Madras :			
Stamp Office at the Presidency: Salary, Establishment and Contingent Charges - - - - -	3,185		
Discount on Sale of Stamps - - - - -	9,227		
		12,412	
Bombay and Sind :			
Stamp Office at the Presidency: Salary, Establishment and Contingent Charges - - - - -	3,319		
Establishment and Contingent Charges under Collectors - - - -	1,506		
Discount on Sale of Stamps - - - - -	13,123		
Cost of Europe Stores - - - - -	407		
		18,355	
TOTAL CHARGES OF COLLECTION of the STAMP REVENUE - - -		£.	88,635
12.—MINT:			
GOVERNMENT OF INDIA—GENERAL AND POLITICAL:			
Salaries, Establishment and Contingent Charges of the Mint Master, Assay Master, &c. - - - - -	56,253		
Loss on Coinage - - - - -	16,407		
Europe Stores - - - - -	2,766		
		75,426	
Madras :			
Salaries, Establishment and Contingent Charges of the Mint Master, Assay Master, &c. - - - - -	20,677		
Europe Stores - - - - -	804		
		21,481	
Bombay and Sind :			
Salaries, Establishment and Contingent Charges of the Mint Master, Assay Master, &c. - - - - -	69,683		
Europe Stores - - - - -	5,971		
		75,654	
TOTAL MINT CHARGES - - -		£.	172,561
Carried forward - - -		£.	5,135,429

No. 12.—General Abstract of Charges of Collection on Public Income of India, for Year ended 30 April 1866—*contd.*

		£.	£.
	Brought forward - - -	- - -	5,135,429
13.—POST OFFICE—CHARGES OF COLLECTION :	£.		
Bengal and Eastern Settlements :			
Director General, Personal Assistant and Compiler : Salaries, Establish- ment and Contingent Charges - - - - - }	7,636		
Postmaster General, Inspectors, Postmasters, and Deputy Postmasters : Salaries, Establishment and Contingent Charges - - - - - }	64,176		
Mail Cart Charges - - - - -	4,008		
Charges on account of the Bhootan Expedition - - - - -	831		
Discount on Sale of Postage Labels - - - - -	2,679		
		79,330	
Madras :			
Postmaster General, Inspectors, Postmasters, and Deputy Postmasters : Salaries, Establishment and Contingent Charges - - - - - }	53,300		
Mail Cart Charges - - - - -	15,536		
Discount on Sale of Postage Labels - - - - -	2,025		
		70,861	
Bombay :			
Postmaster General, Inspectors, Postmasters, and Deputy Postmasters : Salaries, Establishment and Contingent Charges - - - - - }	75,739		
Mail Cart Charges - - - - -	39,240		
Discount on Sale of Postage Labels - - - - -	2,669		
		117,648	
North-Western Provinces and Oude :			
Postmaster General, Inspectors, Postmasters, and Deputy Postmasters : Salaries, Establishment and Contingent Charges - - - - - }	51,488		
Mail Cart Charges - - - - -	45,693		
Discount on Sale of Postage Labels - - - - -	2,180		
		99,361	
Punjab and Sind :			
Postmaster General, Inspectors, Postmasters, and Deputy Postmasters : Salaries, Establishment and Contingent Charges - - - - - }	24,743		
Mail Cart and Bullock Train Charges - - - - -	31,359		
Discount on Sale of Postage Labels - - - - -	1,606		
		57,708	
British Burmah :			
Chief Inspector, Postmasters, and Deputy Postmasters : Salaries, Esta- blishment and Contingent Charges - - - - - }	8,107		
Discount on Sale of Postage Labels - - - - -	289		
		8,396	
TOTAL CHARGES OF COLLECTION of the POST-OFFICE REVENUE - - -	£.		433,304
Carried forward - - -	£.		5,568,733

No. 13.—General Abstract of Charges of Collection on Public Income of India, for Year ended 30 April 1866—*cont^d*.

		£.	£.
	Brought forward - - -	-	5,568,733
14.—ELECTRIC TELEGRAPH—CHARGES OF COLLECTION :			
Bengal :	£.		
Director General of Telegraphs, and Compiler of Telegraph Accounts :			
Salary, Establishment and Contingent Charges - - - - -	8,691		
Working Account: Salaries, Establishment and Contingent Charges, &c.	25,087		
Construction Charges - - - - -	2,734		
Europe Stores - - - - -	2,284		
		38,796	
Punjab :			
Working Account: Salaries, Establishment and Contingent Charges, &c.	12,359		
Construction Charges - - - - -	1,873		
		14,232	
Bombay :			
Working Account: Salaries, Establishment and Contingent Charges, &c.	18,606		
Construction Charges - - - - -	5,082		
		23,688	
Madras :			
Working Account: Salaries, Establishment and Contingent Charges, &c.	16,327		
Construction Charges - - - - -	1,299		
		17,626	
East Coast or Ganjam :			
Working Account: Salaries, Establishment and Contingent Charges, &c.	9,297		
Construction Charges - - - - -	186		
		9,483	
Central India or Nagpore :			
Working Account: Salaries, Establishment and Contingent Charges, &c.	10,616		
Construction Charges - - - - -	1,340		
		11,956	
Indore :			
Working Account: Salaries, Establishment and Contingent Charges, &c.	8,159		
Construction Charges - - - - -	1,389		
		9,548	
Sind :			
Working Account: Salaries, Establishment and Contingent Charges, &c.	8,172		
Construction Charges - - - - -	395		
		8,567	
Dacca :			
Working Account: Salaries, Establishment and Contingent Charges, &c.	6,971		
Construction Charges - - - - -	702		
		7,673	
Pegu :			
Working Account: Salaries, Establishment and Contingencies, &c. - -	11,371		
Construction Charges - - - - -	3,609		
		14,980	
Assam :			
Working Account: Salaries, Establishment and Contingencies, &c. - -	-		
		2,036	
Bangalore :			
Working Account: Salaries, Establishment and Contingencies, &c. - -	1,958		
Construction Charges - - - - -	922		
		2,880	
	Carried forward - - - £.	161,465	5,568,733

No. 13.—General Abstract of Charges of Collection on Public Income of India, for Year ended 30 April 1866—*contd.*

	£.	£.
Brought forward - - -	161,465	5,568,733
14.—ELECTRIC TELEGRAPH—Charges of Collection— <i>continued.</i>		
Rajpootanah :		
Working Account: Salaries, Establishment, and Contingencies, &c. -	1,744	
Construction Charges - - - - -	210	
	1,954	
Malabar :		
Working Account: Salaries, Establishment and Contingencies, &c. -	3,477	
Construction Charges - - - - -	517	
	3,994	
STOREKEEPER :		
General Store and Workshop: Salaries, Establishment and Contingencies, &c. - - - - -	7,331	
Purchase of Materials and Stores - - - - -	22,138	
	29,469	
INDO-EUROPEAN TELEGRAPH :		
Divisional and Local Superintendence - - - - -	66,898	
General Store and Workshop - - - - -	296	
Annual and Ordinary Repairs - - - - -	7,249	
Construction Charges - - - - -	95	
Purchase of Materials and Stores - - - - -	82	
	74,620	
TOTAL CHARGES ON ACCOUNT OF ELECTRIC TELEGRAPH - - - £.		271,502
TOTAL CHARGES OF COLLECTION OF THE REVENUES, including Cost of SALT AND OPIUM - - - £.		5,840,235

No. 14.—GENERAL ABSTRACT ACCOUNT of the ALLOWANCES to District and Village Officers, &c., for the Year ended 30th April 1866.

15.—ALLOWANCES TO DISTRICT AND VILLAGE OFFICERS :		
Oude :	£.	£.
Allowances to Proprietors of Estates - - - - -	293	
North-Western Provinces :		
Allowances to Proprietors of Estates - - - - -	4,567	
Punjab :		
Allowances to Village Officers, including Mowajeeb Allowances - - - - -	1,745	
Madras :		
Allowances to District and Village Officers - - - - -	35,890	
Bombay and Sind :		
Allowances to District and Village Officers - - - - -	347,159	
TOTAL ALLOWANCES TO DISTRICT AND VILLAGE OFFICERS, &c. - - - £.		389,654

No. 15.—GENERAL ABSTRACT ACCOUNT of the CHARGES on Account of ADMINISTRATION and PUBLIC DEPARTMENTS, for the Year ended the 30th April 1866.

16.—ADMINISTRATION AND PUBLIC DEPARTMENTS:		£.	£.
GOVERNMENT OF INDIA—GENERAL AND POLITICAL:			
Salaries of the Governor General and Members of Council - - - - -		62,488	
Governor General's Household - - - - -		17,831	
Indian Secretariats; Foreign, Home, Financial, Public Works, and Military Depart- ments - - - - -		107,226	
Public Offices; comprising the Office of the Comptroller General of Accounts, Central and Treasury Accounts Branches, the General Treasury, &c. - - - - -		36,791	
Board of Examiners; Salary, Establishment and Contingent Charges - - - - -		3,075	
Currency Department; Salary, Establishment and Contingent Charges - - - - -		39,714	
Tour Charges of the Governor General - - - - -		36,044	
Europe Stores - - - - -		525	
			303,694
Oude:			
Chief Commissioner at Lucknow; Salary and Allowances of the Chief Commissioner, and his Secretary, Establishment and Contingent Charges - - - - -		13,638	
Financial Commissioner; Salary, Establishment and Contingent Charges - - - - -		6,852	
Commissioners; Salaries, Establishment and Contingent Charges - - - - -		18,298	
Emigration Charges under Act XIII. of 1864 - - - - -		5	
			38,793
Central Provinces:			
Chief Commissioner at Nagpore; Salary and Allowances of the Chief Commissioner and his Secretary, Establishment and Contingent Charges - - - - -		15,758	
Commissioners; Salaries, Establishment and Contingent Charges - - - - -		17,445	
Office of Account; Salary, Establishment and Contingent Charges - - - - -		2,489	
Paper Currency Department; Salary, Establishment and Contingent Charges - - - - -		1,345	
			37,037
British Burmah:			
Chief Commissioner at Rangoon; Salary and Allowances of the Chief Commissioner and his Secretary, Establishment and Contingent Charges - - - - -		10,507	
Commissioners; Salaries, Establishment and Contingent Charges - - - - -		12,514	
Office of Account; Salary, Establishment and Contingent Charges - - - - -		7,231	
			30,252
East and West Berar:			
Salary of the Military Secretary to the Resident at Hyderabad, Establishment and Con- tingent Charges - - - - -		2,436	
Commissioner; Salary, Establishment and Contingent Charges - - - - -		4,522	
Office of Account; Salary, Establishment and Contingent Charges - - - - -		1,733	
			8,691
Eastern Settlements:			
Salaries of the Governor, Secretary and Aides-de-Camp - - - - -		4,818	
Salaries of Resident Councillors and Assistant Residents at Prince of Wales Island, Singapore and Malacca, and Superintendent of Province Wellesley, including Esta- blishment and Contingent Charges - - - - -		11,131	
			15,949
Bengal:			
Salary of the Lieutenant Governor - - - - -		10,000	
Household of Lieutenant Governor - - - - -		2,186	
Legislative Council - - - - -		2,264	
Public Offices; comprising the Bengal Secretariat, the Office of Account and Audit, Money Order Department, Labour Transport Department, &c. - - - - -		46,124	
Board of Revenue; Salaries of the Members and Secretaries, Establishment and Con- tingent Charges - - - - -		28,959	
Commissioners; Salaries, Establishment and Contingent Charges - - - - -		53,994	
Emigration Charges under Act XIII. of 1864 - - - - -		408	
Tour Charges of the Lieutenant Governor - - - - -		3,119	
Salary and Sumptuary Allowance of the Chief Commissioner, British Burmah - - - - -		135	
			147,189
Carried forward - - - £			581,605

No. 15.—General Abstract Account of Administration, &c., for Year ended 30 April 1866—*continued.*

	£.	£.
Brought forward - - -	-	581,605
16.—ADMINISTRATION AND PUBLIC DEPARTMENTS— <i>continued.</i>		
North Western Provinces :		
Salary of the Lieutenant Governor - - - - -	10,833	
Household of the Lieutenant Governor - - - - -	2,580	
Public Offices; comprising the Secretariat, Office of Account and Audit, and Oordoo Translator - - - - -	34,877	
Board of Revenue; Salaries, Establishment and Contingent Charges - - - - -	17,901	
Commissioners; Salaries, Establishment and Contingent Charges - - - - -	34,660	
Paper Currency Department - - - - -	1,783	
Emigration Charges under Act XIII. of 1864 - - - - -	10	
Tour Charges of the Lieutenant Governor - - - - -	6,164	
		108,758
Punjab :		
Salary of the Lieutenant Governor - - - - -	10,000	
Household of the Lieutenant Governor - - - - -	1,751	
Public Offices; comprising the Secretariat, Office of Account and Audit, and Native Translator - - - - -	24,407	
Financial Commissioner; Salary, Establishment and Contingent Charges - - - - -	8,292	
Commissioners; Salaries, Establishment and Contingent Charges - - - - -	43,470	
Paper Currency Department - - - - -	2,161	
Tour Charges of the Lieutenant Governor - - - - -	5,100	
		95,181
Madras :		
Salaries of the Governor and Members of Council - - - - -	25,600	
Household of the Governor - - - - -	9,570	
Public Offices; comprising the Secretariats, Offices of Account and Audit, and Uncovered Civil Service Examination, &c. - - - - -	54,527	
Board of Revenue; Salaries of the Members and Secretaries, Establishment and Contingent Charges - - - - -	24,526	
Board of Examiners; Salaries, Establishment and Contingent Charges - - - - -	1,605	
Currency Department - - - - -	8,978	
Tour Charges of the Governor - - - - -	2,448	
Salary and Travelling Allowance of the Commissioner of Pegu - - - - -	716	
Europe Stores - - - - -	151	
		128,121
Bombay and Sind :		
Salaries of the Governor and Members of Council - - - - -	21,867	
Household of the Governor - - - - -	11,958	
Salary of the Commissioner of Sind, Establishment and Contingent Charges - - - - -	11,250	
Legislative Council - - - - -	1,176	
Public Offices; comprising the Secretariats, Office of Account and Audit, Translators, &c. - - - - -	58,643	
Commissioners; Salaries, Establishment and Contingent Charges - - - - -	14,799	
Currency Department - - - - -	28,808	
Tour Charges of the Governor - - - - -	6,802	
Europe Stores - - - - -	1,298	
		156,601
TOTAL ADMINISTRATION and PUBLIC DEPARTMENTS - - - - -	£.	1,070,266

No. 16.—GENERAL ABSTRACT ACCOUNT of the Charges on Account of LAW and JUSTICE, for the Year ended the 30th April 1866.

	£.	£.
17.—LAW AND JUSTICE.		
GOVERNMENT OF INDIA—GENERAL AND POLITICAL:		
High Court of Judicature: Salaries of the Chief Justice, Puisne Judges, Officers and Establishments under the High Court, including Salaries and Establishments of the Government Law Officers and Contingent Charges - - - - -	181,735	
Civil and Criminal Courts: Salaries, Establishment and Contingent Charges - - - - -	2,065	
Courts of Small Causes: Salaries, Establishments and Contingencies - - - - -	297	
Jail Establishment and Charges, &c. - - - - -	645	
Registration Department - - - - -	73	
		134,815
Oude:		
Judicial Commissioner: Salary, Establishment and Contingent Charges - - - - -	5,971	
Civil and Criminal Courts: Salaries, Establishment and Contingent Charges - - - - -	34,941	
Courts of Small Causes: Salaries, Establishment and Contingent Charges - - - - -	44	
Inspector of Jails: Salary, Establishment and Contingent Charges - - - - -	1,453	
Jail Establishment and Charges - - - - -	23,192	
		65,601
Central Provinces:		
Judicial Commissioner: Salary, Establishment and Contingent Charges - - - - -	5,498	
Civil and Criminal Courts: Salaries, Establishment and Contingent Charges - - - - -	41,118	
Courts of Small Causes: Salaries, Establishment and Contingent Charges - - - - -	2,263	
Inspector of Jails: Salary, Establishment and Contingent Charges - - - - -	2,103	
Jail Establishment and Charges - - - - -	21,326	
		72,308
British Burmah:		
Recorder's Court: Salary, Establishment and Contingent Charges - - - - -	6,316	
Civil and Criminal Courts: Establishment and Contingent Charges - - - - -	36,421	
Court of Small Causes: Establishment and Contingent Charges - - - - -	590	
Inspector of Jails: Salary, Establishment and Contingent Charges - - - - -	1,941	
Jail Establishment and Charges - - - - -	16,449	
Convict Charges at Port Blair - - - - -	87,156	
		148,873
East and West Berar:		
Civil and Sessions Courts - - - - -	8	
Court of Small Causes: Salary, Establishment and Contingent Charges - - - - -	1,889	
Jail Establishment and Charges - - - - -	8,608	
		10,505
Eastern Settlements:		
Salaries of the Recorders and Registrar, Establishment of the Court of Judicature, Court of Requests, Sheriff and Coroner, &c. - - - - -	17,568	
Jail and Establishment and Charges - - - - -	6,895	
		24,463
Bengal:		
Justices of the Peace: Salaries of the Justices, Establishment and Contingent Charges - - - - -	7,453	
Court of Small Causes at the Presidency: Salaries of the Judges, Establishment and Contingent Charges - - - - -	13,418	
Coroner's Office: Salary, Establishment and Contingencies - - - - -	1,099	
House of Correction at the Presidency - - - - -	2,165	
Provincial and Zillah Courts:		
Provincial, Civil, and Criminal Courts: Salaries, Establishment and Contingencies - - - - -	371,590	
Courts of Small Causes in the Mofussil: Salaries, Establishment and Contingencies - - - - -	29,220	
Superintendent and Remembrancer of Legal Affairs, including Pleaders and Establishment - - - - -	4,719	
Inspector of Jails: Salary, Establishment and Contingent Charges - - - - -	4,137	
Jail Establishment and Charges, including those on account of Convicts transported to the Eastern Settlements - - - - -	147,088	
Registration Department - - - - -	23,088	
		603,927
Carried forward - - - £.		1,060,492

No. 16.—General Abstract Account of Law and Justice, &c., for Year ended 30 April 1866—*continued*.

		£.	£.
	Brought forward - - -	1,060,492	
17.—LAW AND JUSTICE— <i>continued</i> .			
North Western Provinces:			
	£.		
Sudder Dewanny and Nizamut Adawlut: Salaries of the Judges, } Establishment and Contingent Charges - - - - - }	29,631		
Civil and Criminal Courts: Salaries, Establishments and Contingent } Charges - - - - - }	217,269		
Courts of Small Causes: Salaries, Establishments and Contingent Charges	4,205		
Inspector of Jails: Salary, Establishment and Contingent Charges - -	4,260		
Jail Establishment and Charges - - - - -	73,497		
Registration Department - - - - -	12,863		
		341,725	
Punjab:			
Judicial Commissioner: Salary, Establishment and Contingent Charges -	9,291		
Civil and Criminal Courts: Salaries, Establishment and Contingent Charges	114,173		
Courts of Small Causes: Salaries, Establishments and Contingent Charges	9,886		
Inspector of Jails: Salary, Establishment and Contingent Charges - -	2,429		
Jail Establishment and Charges - - - - -	50,629		
		186,408	
Madras:			
High Court of Judicature: Salaries of the Chief Justice and Puisne } Judges, Establishment and Contingencies, including those of Govern- } ment Law Officers, &c. - - - - - }	47,840		
Coroner's Office - - - - -	715		
Sheriff's Office - - - - -	2,522		
Court of Small Causes at the Presidency - - - - -	8,072		
Allowance for Establishment, &c., to the Administrator General - -	720		
Magisterial Courts at the Presidency - - - - -	6,361		
House of Correction - - - - -	5,478		
Provincial and Zillah Courts:			
	£.		
Provincial, Civil and Criminal Courts - - - - -	236,663		
Courts of Small Causes in the Mofussil - - - - -	13,914		
Inspector of Jails: Salary, Establishment and Contingencies	4,005		
Jail Establishment and Charges - - - - -	56,187		
Registration Department - - - - -	14,822		
		325,591	
			397,299
Bombay and Sind:			
High Court of Judicature: Salaries of the Chief Justice and Puisne } Judges, Establishment and Contingencies, including those of Govern- } ment Law Officers, &c. - - - - - }	80,008		
Coroner's Office - - - - -	892		
Sheriff's Office - - - - -	1,167		
Court of Small Causes at the Presidency - - - - -	13,718		
Magisterial Court at the Presidency - - - - -	7,007		
House of Correction - - - - -	20,384		
Provincial and Zillah Courts:			
	£.		
Provincial Civil and Criminal Courts - - - - -	219,076		
Courts of Small Causes in the Mofussil - - - - -	6,928		
Inspector of Jails: Salary, Establishment and Contingencies	2,723		
Jail Establishment and Charges - - - - -	66,973		
Registration Department - - - - -	18,406		
		314,106	
			437,282
TOTAL LAW AND JUSTICE - - - £.			2,423,206

**No. 17.—GENERAL ABSTRACT ACCOUNT of the CHARGES on account of POLICE, for
the Year ended the 30th April 1866.**

18.—POLICE :	£.	£.
GOVERNMENT OF INDIA—GENERAL AND POLITICAL :		
Inspector General of Police - - - - -	22	
Suppression of Thuggee and Dacoity ; Salaries, Establishment and Contingent Charges -	10,673	
District Executive Police Force ; Salaries, Establishment and Contingencies - -	490	11,185
Oude :		
Inspector and Deputy Inspector General of Police ; Establishment and Contingent Charges	4,343	
District Executive Police Force ; Salaries, Establishment and Contingencies - -	105,174	109,517
Central Provinces :		
Inspector General of Police ; Salary, Establishment and Contingent Charges - -	2,790	
District Executive Police Force ; Salary, Establishment and Contingent Charges - -	128,376	131,166
British Burmah :		
Inspector General and Personal Assistant ; Salary, Establishment and Contingent Charges	2,700	
District Executive Police Force ; Salary, Establishment and Contingent Charges -	119,632	122,332
East and West Berar :		
Inspector General of Police ; Salary, Establishment and Contingencies - - -	1,378	
District Executive Police Force ; Salary, Establishment and Contingencies - - -	40,269	
Thuggee and Dacoity Department - - - - -	1,349	42,996
Eastern Settlements :		
Commissioners, Deputy Commissioners, and Executive Police Force - - - -	4,580	4,580
Bengal :		
Calcutta Police ; Salary, Establishment and Contingent Charges of the Commissioner and Executive Police Force, &c. - - - - -	37,430	
Suburban Police - - - - -	6,478	
Inspector and Deputy Inspector General of Police ; Establishment and Contingent Charges	33,700	
District Executive Police Force ; Salary, Establishment and Contingencies - -	457,235	
Bhootan Expedition Charges - - - - -	8,154	542,997
North Western Provinces :		
Inspector and Deputy Inspector General of Police ; Salary, Establishment and Con- tingent Charges - - - - -	9,793	
District Executive Police Force ; Salary, Establishment and Contingent Charges -	353,975	363,768
Punjab :		
Inspector and Deputy Inspector General of Police ; Salary, Establishment and Con- tingent Charges - - - - -	9,223	
District Executive Police Force ; Salary, Establishment and Contingent Charges -	278,927	288,150
Madras :		
Police Charges at the Presidency, including Marine Police - - - - -	23,301	
Inspector and Deputy Inspector General of Police ; Salary, Establishment and Con- tingent Charges - - - - -	10,996	
District Executive Police Force ; Salary, Establishment and Contingent Charges -	350,044	384,341
Bombay and Sind :		
Police Charges at the Presidency - - - - -	23,481	
District Executive Police Force - - - - -	354,817	383,298
TOTAL POLICE - - - £.		2,384,830

No. 18.—GENERAL ABSTRACT ACCOUNT of the MARINE CHARGES of INDIA, for the Year ended the 30th April 1866, including the Charges defrayed in ENGLAND.

19.—MARINE.		£.	£.	£.
British Burmah :				
Master Attendant, Dockyard, and other Marine Establishments - - -		835		
Marine Pay and Allowances, including Charges on Account of Steamers -		8,608		
Lighthouses - - - - -		1,733		
Purchase of Coals, &c. - - - - -		769		
Subsidies to Steamboat Companies for Conveyance of Mails - - -		2,900		
Marine Charges, Port Blair - - - - -		15,326		
Miscellaneous - - - - -		482		
			30,653	
Eastern Settlements :				
Master Attendant and Signal Department, Marine Pay and Allowances, } &c. - - - - -		2,537		
Lighthouse Charges, &c. - - - - -		2,839		
Charges for the Suppression of Piracy - - - - -		7,940		
Purchase of Coal and other Marine Stores - - - - -		2,432		
Cost of Provisions and Victuals - - - - -		1,074		
Miscellaneous - - - - -		550		
			17,372	
Bengal :				
Master Attendant's Office; Salaries, Establishment and Contingent Charges		5,522		
Shipping Office; Salaries, Establishment and Contingent Charges - -		2,216		
Pilotage, Pilot Establishment and Vessels - - - - -		69,266		
State Yacht Establishment (Crew) - - - - -		417		
Miscellaneous - - - - -		963		
			78,384	
CHARGES ON ACCOUNT OF SEA-GOING VESSELS :				
Marine Pay and Allowances - - - - -		37,762		
Coals, Coal and Steam Agencies, &c. - - - - -		17,214		
Victuals for Crew of Ships and Vessels - - - - -		2,945		
Miscellaneous Stores - - - - -		39,172		
Naval Storekeeper; Salaries, Establishment and Contingent Charges -		1,521		
Kidderpore Dockyard - - - - -		2,573		
Agent for Transports and Government Consignments; Salary, Establish- } ment and Contingent Charges - - - - -		1,488		
Marine Court, Marine Surgeon, &c. - - - - -		855		
Wages to Artificers, Building and Repairs of Ships - - - - -		46,399		
Conveyance of Rangoon, Bombay, and Chittagong Mails - - -		26,040		
Sundry Items - - - - -		781		
			176,750	
Carried forward - - - £.			303,159	

No. 18.—General Abstract Account of the Marine Charges of India, for Year ended 30 April 1866—*continued*.

		£.	£.
Brought forward - - -		303,159	
19.—MARINE— <i>continued</i> .			
Punjab :		£.	
Marine Establishments - - - - -	5,412		
Marine Pay and Allowances - - - - -	6,883		
Pilot Vessels - - - - -	602		
Wages to Artificers, Building and Repairs of Ships - - - - -	4,961		
Purchase of Coals and other Stores - - - - -	4,454		
Miscellaneous - - - - -	187		
		22,449	
Madras :			
Master Attendant and Marine Establishments - - - - -	11,764		
Purchase of Coal, Fuel, &c. - - - - -	3,846		
Subsidies to Steamboat Companies for conveyance of Mails and Miscellaneous - - - - -	7,187		
Europe Stores - - - - -	2,119		
		24,916	
Bombay and Sind :			
Superintendent of Marine, Dockyard and other Marine Establishments - - - - -	17,691		
Shipping Master ; Salary, Establishment and Contingent Charges - - - - -	1,853		
Marine Pay and Allowances - - - - -	46,580		
Wages to Artificers, Building and Repairs of Ships - - - - -	50,163		
Victuals for Crew of Ships and Vessels - - - - -	21,030		
Coals and Coal Agencies, and Purchase of Timber and other Stores - - - - -	40,580		
Subsidies to Steamboat Companies for conveyance of Mails - - - - -	18,930		
Europe Stores - - - - -	18,441		
Miscellaneous - - - - -	12,165		
		227,433	
TOTAL CHARGES IN INDIA - - - £.			577,957
CHARGES IN ENGLAND :			
Furlough and Absentee Allowances - - - - -	1,856		
Pensions and Retired Allowances - - - - -	56,743		
Commutation of Pensions of Officers of the late Indian Navy - - - - -	308		
Passage from India of Officers of the late Indian Navy, on Abolition of that Service - - - - -	125		
			59,032
TOTAL MARINE CHARGES OF INDIA - - - £.			636,989

No. 19.—GENERAL ABSTRACT ACCOUNT of the CHARGES on account of EDUCATION, SCIENCE and ART, for the Year ended the 30th April 1866.

	£.	£.
20—EDUCATION, SCIENCE AND ART.		
GOVERNMENT OF INDIA—GENERAL AND POLITICAL:		
Calcutta University: Salary, Establishment and Contingencies of the Registrar, Allowances to Examiners, Scholarships, &c. - - - - -	4,891	
School Establishment and Contingencies, &c. - - - - -	925	
Grants-in-aid to Schools - - - - -	452	
Surveys and Observatories, including Museums, &c. - - - - -	113,340	
Miscellaneous - - - - -	1,204	
		120,812
Oude:		
Director of Public Instruction and Inspectors of Schools: Salaries, Establishment and Contingent Charges - - - - -	2,388	
School Establishment and Contingencies, including Government Book Depot - - - - -	6,088	
Grants-in-aid to Schools - - - - -	3,774	
Miscellaneous - - - - -	2,040	
		14,290
Central Provinces:		
Director of Public Instruction: Salary, Establishment and Contingent Charges - - - - -	1,799	
School Establishment and Contingencies - - - - -	10,998	
Grants-in-aid to Schools - - - - -	1,822	
Surveys and Museums, &c. - - - - -	2,165	
		16,779
British Burmah:		
Inspector of Schools - - - - -	80	
School Establishment and Contingencies - - - - -	1,674	
Grants-in-aid to Schools - - - - -	4,402	
Surveys and Scientific Institutions - - - - -	3,712	
		9,868
East and West Berar:		
School Establishment and Contingencies - - - - -	- - -	2,754
Eastern Settlements:		
Grants-in-aid and Allowances to Schools, &c. - - - - -	- - -	2,519
Bengal:		
Director of Public Instruction and Inspectors of Schools: Salaries, Establishment and Contingent Charges - - - - -	23,601	
Presidency, Medical, Sanskrit, and other Colleges in Calcutta and in the Moffussil - - - - -	62,621	
Schools at the Presidency and in the Provinces - - - - -	38,270	
Grants-in-aid to Schools - - - - -	35,759	
Scholarships, Prizes, &c. - - - - -	5,805	
Donations to Scientific and Literary Institutions, &c. - - - - -	14,102	
		180,158
Carried forward - - - £.		347,180

No. 19.—General Abstract Account of Education, Science and Art, for Year ended 30 April 1866—*continued.*

	£.	£.
Brought forward - - -	- - -	347,180
20—EDUCATION, SCIENCE AND ART— <i>continued.</i>		
North Western Provinces :		
Director of Public Instruction and Inspector of Schools : Salaries, Establishment and Contingent Charges - - - - -	25,236	
Government Colleges - - - - -	24,981	
School Establishment and Contingencies, including Government Book Depôt - -	14,495	
Grants-in-aid to Schools - - - - -	20,762	
Charges on account of Scientific Institutions, &c. - - - - -	2,401	87,875
Punjab :		
Director of Public Instruction, Inspectors of Schools, &c. : Salaries, Establishment and Contingent Charges - - - - -	9,370	
Government Colleges - - - - -	3,323	
School Establishment and Contingencies, including Government Book Depôt - -	26,241	
Grants-in-aid to Schools - - - - -	14,757	
Surveys and Scientific Institutions - - - - -	3,917	57,608
Madras :		
Madras University : Salary, Establishment and Contingencies of the Registrar, Allowances to Examiners, &c. - - - - -	1,578	
Director of Public Instruction and Inspectors of Schools : Salaries, Establishment and Contingencies - - - - -	12,601	
Presidency, Medical and Civil Engineering Colleges - - - - -	13,283	
School Establishment and Contingencies, including Government Book Agency - -	16,777	
Grants-in-aid to Schools and Educational Institutions - - - - -	15,864	
Scientific Institutions, Public Museums, Observatory, Botanical Gardens, &c. - -	12,459	
Miscellaneous - - - - -	6,455	79,017
Bombay and Sind :		
Bombay University : Salary, Establishment and Contingencies of the Registrar, Allowances to Examiners, &c. - - - - -	3,678	
Director of Public Instruction and Inspectors of Schools : Salaries, Establishment and Contingent Charges - - - - -	16,541	
Government Colleges - - - - -	10,290	
School Establishment and Contingencies, including Government Book Depôts - -	40,343	
Grants-in-aid and Allowances to Schools, &c. - - - - -	19,899	
Scientific Institutions and Societies, &c. - - - - -	1,809	
Miscellaneous - - - - -	6,499	99,059
TOTAL EDUCATION, SCIENCE AND ART - - - £.		670,739

No. 20.—GENERAL ABSTRACT ACCOUNT of the CHARGES on account of ECCLESIASTICAL ESTABLISHMENTS, for the Year ended the 30th April 1866.

21.—ECCLESIASTICAL :		£.	£.
GOVERNMENT OF INDIA—GENERAL AND POLITICAL :			
Salary and Visitation Allowance of the Lord Bishop, Salary of the Domestic Chaplain, Archdeacon, &c.	}	9,759	
Oude :			
Ecclesiastical Establishment	- - - - -	3,763	
Central Provinces :			
Ecclesiastical Establishment	- - - - -	3,153	
British Burmah :			
Ecclesiastical Establishment	- - - - -	3,662	
Eastern Settlements :			
Ecclesiastical Establishment	- - - - -	2,519	
Bengal :			
Ecclesiastical Establishment	- - - - -	24,958	
North Western Provinces :			
Ecclesiastical Establishment	- - - - -	15,784	
Punjab :			
Ecclesiastical Establishment and Allowances	- - - - -	17,529	
Madras :			
Ecclesiastical Establishment, including Salaries of the Bishop, Archdeacon, &c.	- -	39,711	
Bombay and Sind :			
Ecclesiastical Establishments, including Salaries of the Bishop, &c.	- - - - -	34,048	
TOTAL ECCLESIASTICAL		£.	154,886

No. 21.—GENERAL ABSTRACT ACCOUNT of the CHARGES on account of MEDICAL SERVICES, for the Year ended the 30th April 1866.

22.—MEDICAL SERVICES :		£.	£.
GOVERNMENT OF INDIA—GENERAL AND POLITICAL :			
Medical Establishment, including Hospitals and Dispensaries	- - - - -	-	276
Oude :			
Medical Establishment, including Lunatic Asylum, Hospitals and Dispensaries	- - - - -	-	8,963
Central Provinces :			
Medical and Vaccine Establishments, including Lunatic Asylum, Hospitals, and Dispensaries	- - - - -	-	12,690
British Burmah :			
Medical and Vaccine Establishments, including Hospitals and Dispensaries	- - - - -	-	7,513
East and West Berar :			
Medical and Vaccine Establishments, and Allowances for Medical purposes	- - - - -	-	1,685
Eastern Settlements :			
Medical Establishments, including Lunatic Asylum, Hospitals, and Dispensaries	- -	6,658	
Grants to private Medical Establishments	- - - - -	120	
Bengal :			6,778
Medical and Vaccine Establishments, including Chemical Examiner to Government, Lunatic Asylum, Hospitals and Dispensaries	- - - - -	57,537	
Grants to private Medical Establishments	- - - - -	3,886	
			60,923
Carried forward		£.	98,828

No. 21.—General Abstract Account of Charges for Medical Services, for Year ended 30 April 1866—*continued.*

	Brought forward - - -	£.	£.
		-	98,828
22.—MEDICAL SERVICES— <i>continued.</i>			
North Western Provinces :			
Medical and Vaccine Establishments, including Chemical Examiner to Government, }		33,321	
Hospitals and Dispensaries - - - - - }			
Grants for Medical purposes - - - - -		2,461	
			35,782
Punjab :			
Medical and Vaccine Establishments, including Chemical Examiner, Lunatic Asylum, }		-	
Hospitals and Dispensaries - - - - - }		-	
			25,485
Madras :			
Medical and Vaccine Establishments, including Chemical Examiner, Lunatic Asylum, }		-	
Hospitals and Dispensaries - - - - - }		-	
			49,285
Bombay and Sind :			
Medical and Vaccine Establishments, including Chemical Examiner, Lunatic Asylum, }		65,428	
Hospitals and Dispensaries - - - - - }			
Grants to private Medical Establishments - - - - -		81	
			65,509
TOTAL MEDICAL SERVICES - - -		£.	274,889

No. 22.—GENERAL ABSTRACT ACCOUNT of the CHARGES on account of STATIONERY and PRINTING, for the Year ended the 30th April 1866.

23.—STATIONERY AND PRINTING:		£.	£.
GOVERNMENT OF INDIA—GENERAL AND POLITICAL:			
Printing Establishments in the Secretariats and Office of Account, including Charges } for Printing executed at the Military Orphan Press, &c. - - - - -		- -	33,268
Oude :			
Printing Establishment and Charges - - - - -		- -	2,580
Central Provinces :			
Printing Establishment and Charges - - - - -		- -	3,867
East and West Berar :			
Printing Establishment and Charges - - - - -		- -	728
Eastern Settlements :			
Printing Charges - - - - -		- -	302
Bengal :			
Stationery Office at the Presidency - - - - -		3,149	
Printing Establishments and Charges - - - - -		19,126	
Purchase of Stationery - - - - -		27,471	
Europe Stores - - - - -		4,208	
North Western Provinces :			53,954
Printing Establishments and Charges - - - - -		- -	24,590
Punjab :			
Printing Establishments and Charges - - - - -		- -	10,100
Madras :			
Stationery Office at the Presidency - - - - -		843	
Printing Establishments and Charges - - - - -		23,398	
Purchase of Stationery - - - - -		9,579	
Europe Stores - - - - -		1,461	
Bombay and Sind :			35,281
Stationery Office at the Presidency - - - - -		3,217	
Printing Establishments and Charges - - - - -		19,113	
Purchase of Stationery - - - - -		163	
Europe Stores - - - - -		4,893	
			27,846
TOTAL STATIONERY AND PRINTING - - -		£.	192,516

No. 23.—GENERAL ABSTRACT ACCOUNT of the CHARGES on account of POLITICAL AGENCIES and other FOREIGN SERVICES, for the Year ended the 30th April 1866.

24.—POLITICAL AGENCIES AND OTHER FOREIGN SERVICES :		£.	£.
GOVERNMENT OF INDIA—GENERAL AND POLITICAL :			
Residents and Political Agents, &c., at Foreign Courts: Salaries and Allowances, Establishments and Contingent Charges		82,739	
Durbar Presents, and Allowances to Vakeels, &c.		4,922	
Sundry Items		8,647	96,308
Central Provinces :			
Durbar Presents		-	625
British Burmah :			
Political Establishments and Charges, including Expenses on account of State Prisoners		-	5,871
Bengal :			
Political Establishments and Charges		4,049	
Durbar Presents, and Allowances to Vakeels, Natives of Rank, &c.		1,000	
Bhootan Charges		86	
Sundry Items		290	5,425
North Western Provinces :			
Political Establishments and Charges		2,962	
Sundry Items		853	3,815
Punjab :			
Pay of British Envoy at Cabool, and other Political Establishments and Charges		6,389	
Durbar Presents, including Allowances to Vakeels, &c.		1,953	
Sundry Items		2,556	10,898
Madras :			
Residents and Agents at Foreign Courts: Salaries, Establishments, and Contingent Charges		9,700	
Charges on account of State Prisoners		182	9,882
Bombay and Sind :			
Residents and Agents at Foreign Courts: Salaries, Establishments, and Contingent Charges		70,598	
Durbar Presents and Allowances to Natives of Rank, &c.		6,325	
Sundry Items		10,909	87,832
TOTAL POLITICAL AGENCIES AND OTHER FOREIGN SERVICES		£.	220,656

No. 24.—GENERAL ABSTRACT ACCOUNT of the ALLOWANCES and ASSIGNMENTS out of the REVENUES, in accordance with Treaties or other Engagements, in the Year ended the 30th April 1866.

25.—ALLOWANCES AND ASSIGNMENTS UNDER TREATIES AND ENGAGEMENTS:		£.	£.
GOVERNMENT OF INDIA—GENERAL AND POLITICAL:			
Pension of Wazed Ally Shah, ex-King of Oude - - - - -		120,000	
Proportion of Pension of Maharajah Dulleep Sing - - - - -		1,200	
Pension to Ally Bahadoor, ex-Newab of Banda, including Allowance to the Family of the late Zoolficar Ally - - - - -		4,100	
Stipends and Extra Allowances, &c., to the Families of the late Hyder Ally and Tippoo Sultan - - - - -		7,206	
Pensions to the Family of the ex-Rajah of Coorg - - - - -		1,049	
Compensation - - - - -		344	
Pagoda and Mosque Allowances - - - - -		1,389	
Pensions exceeding 5,000 rupees per annum, but not exceeding 20,000 rupees per annum - - - - -		13,995	
Pensions not exceeding 5,000 rupees per annum - - - - -		17,580	
TOTAL GOVERNMENT OF INDIA—GENERAL AND POLITICAL - - -		£.	166,683
O U D E:			
TERRITORIAL AND POLITICAL PENSIONS:			
Newab Malka Jehan - - - - -		5,742	
Newab Sooltan Begum - - - - -		673	
Malk Dooran Newab Rookya Sooltan Begum - - - - -		2,342	
Political Pensions not exceeding 20,000 rupees per annum - - - - -		38,487	
Pensions not exceeding 5,000 rupees per annum - - - - -		30,657	
Maafee Compensation - - - - -		269	
Miscellaneous - - - - -		2,812	
TOTAL OUDE - - -		£.	80,982
CENTRAL PROVINCES:			
Gond Rajah Sulliman Shah - - - - -		10,684	
Janojee Rao Bhoslah Rajah Bahadoor and the Widows of the late Ruler - - - - -		19,500	
Trimbuckjee Nana Aeehur Rao - - - - -		1,000	
Eshwant Rao Goojur - - - - -		3,571	
Purbut Rao Goojur - - - - -		654	
Pensions exceeding 5,000 rupees, but not exceeding 20,000 rupees per annum - - - - -		6,890	
Pensions not exceeding 5,000 rupees per annum - - - - -		69,734	
TOTAL CENTRAL PROVINCES - - -		£.	112,033
EAST AND WEST BERAR:			
Pensions to Maharatta Salianadars - - - - -		3,330	
Maharatta Choute - - - - -		10,811	
Political Pensions, including Charitable and Religious Grants - - - - -		1,872	
TOTAL EAST AND WEST BERAR - - -		£.	16,013
EASTERN SETTLEMENTS:			
Political Pensions exceeding 5,000 rupees per annum - - - - -		1,970	
Ditto - - - under 5,000 rupees per annum - - - - -		1,932	
Local Pensions (Compensation to Landowners) - - - - -		1,038	
TOTAL EASTERN SETTLEMENTS - - -		£.	4,940
Carried forward - - -		£.	380,651

No. 24.—General Abstract Account of the Allowances, &c. out of the Revenues, for Year ended 30 April 1866—*contd.*

		£.	£.
	Brought forward - - -	-	380,651
25.—ALLOWANCES, &c. UNDER TREATIES AND ENGAGEMENTS— <i>continued.</i>			
B E N G A L:		£.	
STIPENDS AND ALLOWANCES OF THE NIZAMUT:			
His Highness Newab Nazim's Personal Allowance - - - -	73,256		
Her Highness Munoo and Buhoo Begum - - - - -	2,212		
Rajmehal Family - - - - -	3,241		
Syed Azeem Ally Khan - - - - -	5,565		
Raisoonissa Begum (Widow of Humayoonjah) - - - -	9,982		
Syed Sudarah Khan - - - - -	2,075		
Newab Shumshe Jehan Begum (Consort of Furreedoonjah) - - -	4,480		
Newab Mulkzumaneeah Begum (Second wife of ditto) - - -	3,733		
Allowances to various Chiefs, their Families and Dependents, exceeding } 5,000 rupees, and not exceeding 20,000 rupees per annum - - - }	14,027		
Allowances to various Chiefs, their Families and Dependents, not exceed- } ing 5,000 rupees per annum - - - - - }	28,917		
		147,488	
PENSIONS AND CHARITABLE ALLOWANCES:			
Rajah Bhoop Sing (Grandson of Rajah Kulyan Sing) - - - - -	2,550		
Unno-chutter, Charges paid in Cuttack - - - - -	495		
Compensation to the Bhooteeahs for the resumption of Dooars in Assam -	2,500		
Pensions not exceeding 5,000 rupees per annum - - - - -	953		
		6,498	
SAYER COMPENSATION:			
<i>Convention with the French Government:</i>			
Annual Compensation to that Government, in lieu of Salt formerly sup- } plied to them - - - - - }	28,625		
Compensations exceeding 5,000 rupees per annum - - - - -	894		
Ditto - - - not exceeding 5,000 rupees per annum - - - - -	3,119		
		32,638	
TOTAL BENGAL - - - £.			186,624
NORTH WESTERN PROVINCES:			
TERRITORIAL AND POLITICAL PENSIONS:			
Ishreepersad Narain Sing, Rajah of Benares - - - - -	10,000		
Pensions exceeding 5,000 rupees, and not exceeding 20,000 rupees per } annum each - - - - - }	13,656		
Rajah Bulwant Sing - - - - -	2,400		
Pensions granted on the resumption of Maafee Tenures - - - -	12,317		
Political Pensions under 5,000 rupees per annum - - - - -	28,737		
Ex-Rajah of Coorg - - - - -	3,360		
		70,470	
PENSIONS AND CHARITABLE ALLOWANCES:			
Charitable Pensions not exceeding 20,000 rupees per annum - - -	4,897		
Pensions and Charitable Allowances under 5,000 rupees per annum -	5,517		
		10,414	
SAYER COMPENSATION:			
Rajah Mohender Sing - - - - -	2,611		
Miscellaneous Compensations under 5,000 rupees per annum - - -	6,458		
		9,069	
TOTAL NORTH WESTERN PROVINCES - - - £.			89,953
Carried forward - - - £.			657,228

No. 24.—General Abstract Account of the Allowances, &c. out of the Revenues, for Year ended 30 April 1866—*cont^d*.

		£.	£.
	Brought forward - - -	- - -	657,228
25.—ALLOWANCES, &c. UNDER TREATIES AND ENGAGEMENTS— <i>continued</i> .			
PUNJAB:		£.	
TERRITORIAL AND POLITICAL PENSIONS:			
Rajah Bukht Ally - - - - -	1,680		
Murdan Sing - - - - -	960		
Newab Ally Reza Khan - - - - -	224		
Rajah Fyztullub Khan - - - - -	1,000		
Rajah Jaswant Sing - - - - -	1,000		
Sirdar Saleh Mahomed Khan - - - - -	1,200		
Mohun Lall - - - - -	600		
Bahadoor Jhung Khan - - - - -	1,200		
Sirdar Dewa Sing - - - - -	720		
Sirdar Mahomed Hossein Khan - - - - -	720		
Sirdar Sooltan Secundar - - - - -	600		
Nazir Kharoolia - - - - -	400		
Mirza Ellahee Bux - - - - -	250		
Ajoodiah Pershad - - - - -	650		
Stipends of Ranees of deceased Moharajahs, including Allowances to Dependents and Adherents - - - - -	4,413		
Pensions under 5,000 rupees per annum granted on the resumption of Maaffee Tenures - - - - -	30,711		
Political Pensions under 5,000 rupees per annum - - - - -	20,770		
		67,098	
PENSIONS AND CHARITABLE ALLOWANCES:			
Pension of Mirza Ellahee Bux - - - - -	955		
Pension of Ranees Kissan Kour of the late Rajah Bullub Ghur - - - - -	600		
Pension of Kour Khoshal Sing - - - - -	600		
Charitable Allowances under 5,000 rupees per annum - - - - -	38,597		
		40,752	
SAYER COMPENSATION:			
Allowances to Rajahs and others, in lieu of Customs, Transit Duties, &c., abolished - - - - -	- - -	4,308	
TOTAL PUNJAB - - - £.			112,158
MADRAS:			
Tanjore:			
Allowances to the Relatives, Servants, &c. of his Highness the late Rajah of Tanjore, including Commutation of Pensions, &c. - - - - -	48,132		
Allowances to the Family of the late Rajah Ameer Sing - - - - -	1,446		
		49,578	
Masulipatam:			
Stipends to the Family of the late Newab of Masulipatam - - - - -	- - -	3,716	
Ceded Districts:			
Stipends and extra Allowances to the Families of the late Hyder Ally Khan and Tippoo Sultan, exclusive of payments made in Bengal - - - - -	- - -	3,407	
Carried forward - - - £.		56,701	769,386

No. 24.—General Abstract Account of the Allowances, &c. out of the Revenues, for Year ended 30 April 1866—*contd.*

		£.	£.
	Brought forward - - -	56,701	769,386
25.—ALLOWANCES, &c. UNDER TREATIES AND ENGAGEMENTS— <i>continued.</i>			
MADRAS— <i>continued.</i>		£.	
COMPENSATIONS, PENSIONS, AND CHARITABLE ALLOWANCES:			
Pagoda and Mosque Allowances, and Compensation in lieu of resumed Lands, Offices and Privileges, including Salt Compensations - - - }	96,663		
Pensions and Charitable Allowances - - - - -	5,041		
Pagoda and Mosque Allowances - - - - -	11,180		
Allowances to Zemindars, Jageerdars, and Enamdars, &c. - - -	27,581		
		140,465	
Carnatic :			
TERRITORIAL AND POLITICAL PENSIONS:			
Pensions, &c. to the Families and Dependents of the late Newabs, and to the Carnatic Family and Dependents, &c. - - - }	64,660		
Stipends, &c. to Prince Azeem Jah Bahadoor - - - - -	23,100		
Payment to the French Government at Pondicherry on account of the Arrack Farm in the French Pettah at Masulipatam - - - }	355		
		88,115	
Kurnal :			
Stipends to the Family and Dependents of the Newab of Kurnal - - - -		11,992	
	TOTAL MADRAS - - -	£.	297,273
BOMBAY AND SIND:			
Pension to the Family and Dependents of the late Newab of Surat - - -		10,000	
Newab Mahomed Ally Khan Bahadoor - - - - -		6,278	
Aeesaheb Maharaj - - - - -		6,000	
Subsidy to the Khan of Khelat - - - - -		5,000	
Aga Mahomed Ismail Khan - - - - -		2,600	
Pertab Rao Goojur - - - - -		1,100	
Various Pensions and Allowances of 5,000 rupees and under 10,000 rupees per annum - - - }		8,771	
Pensions not exceeding 5,000 rupees per annum - - - - -		45,827	
Enamdars and Surrumjamdars - - - - -		502,797	
Sayer and Miscellaneous Compensations - - - - -		44,964	
Sultan Fudil Mahsin of Lahej - - - - -		1,412	
Allowances, &c., to the Ex-Ameers of Sind and others - - - - -		27,519	
Commutation of fractional parts of Enams - - - - -		27,333	
Cristna Rao Wittul - - - - -		2,202	
Dewasthan and Wurshasun Allowances - - - - -		43,331	
	TOTAL BOMBAY AND SIND - - -	£.	735,134
	TOTAL ALLOWANCES and ASSIGNMENTS out of the REVENUES, &c. - - -	£.	1,801,793

No. 25.—GENERAL ABSTRACT ACCOUNT of MISCELLANEOUS CHARGES, for the Year ended the 30th April 1866.

26.—MISCELLANEOUS.		£.	£.
GOVERNMENT OF INDIA—GENERAL AND POLITICAL:			
Allowances to Civil Servants out of employ, and to those qualifying for the Public Service		6,617	1,052,829
Loss by difference of Exchange, and discount on Supply Bills		79,936	
Allowance to the Presidency Bank, for conducting the duties of the General Treasury		4,360	
Special Commissions of Inquiry		639	
Charges for remittance of Treasure		24,679	
Sundry Items		936,598	
Oude :			
Subsistence Allowance to Civil Servants out of employ, and to those qualifying for the Public Service		102	3,666
District Dāk Establishment and Contingencies		2,339	
Discount on Supply Bills		22	
Charges for remittance of Treasure		296	
Payment to Bank of Bengal, for conducting Treasury business		288	
Monument for Officers killed in the Mutiny		60	
Sundry Items		559	
Central Provinces :			
District Dāk Establishment and Contingencies		3,719	13,499
Discount on Supply Bills		41	
Charges for remittance of Treasure		11	
Payment to Bank of Bengal, for conducting Treasury Business		277	
Rewards for Destruction of Wild Animals		4,068	
Sundry Items		5,383	
British Burmah :			
Charges for remittance of Treasure		954	3,026
Conservancy Assignments		880	
Rewards for Destruction of Wild Animals		43	
Payment to Bank of Bengal, for conducting Treasury business		193	
Sundry Items		956	
East and West Berar :			
District Dāk or Tappal Establishment, and Contingencies		634	10,644
Loss by difference of Exchange and discount on Supply Bills		9,510	
Sundry Items		500	
Eastern Settlements :			
Loss by difference of Exchange		591	1,154
Sundry Items		563	
Bengal :			
Allowance to Civil Servants out of employ, and to those qualifying for the Public Service		770	18,984
Payment to Bank of Bengal, for conducting Treasury business		1,349	
Charges for remittance of Treasure		3,685	
Assessment and Rates on Government Buildings		4,084	
Donation to District Charitable Society, &c.		1,477	
Bhootan Expedition Charges		2,117	
Sundry Items		5,502	
Carried forward		£.	1,103,802

No. 25.—General Abstract Account of Miscellaneous Charges, for Year ended 30 April 1866—*continued.*

	£.	£.
Brought forward - - -	-	1,103,802
26.—MISCELLANEOUS— <i>continued.</i>		
North Western Provinces :		
Subsistence Allowance to Civil Servants out of employ, and to those qualifying for the } Public Service - - - - -	299	
Endowed Gardens, Tea Nurseries and Plantations - - - - -	6,544	
Payment to Bank of Bengal, for conducting Treasury business - - - - -	1,221	
Discount on Supply Bills - - - - -	226	
Charges for remittance of Treasure - - - - -	4,618	
District Dāk Establishment and Contingencies - - - - -	7,728	
Charges on account of Public Exhibitions - - - - -	316	
Rewards for Good Conduct during the Mutiny - - - - -	200	
Payments to Creditors of the ex-Newab of Furruckabad - - - - -	4,083	
Compensation for Losses sustained during the Mutiny - - - - -	43	
Sundry Items - - - - -	4,517	
		29,795
Punjab :		
District Dāk Establishment and Contingencies - - - - -	4,307	
Tea Nurseries and Plantations - - - - -	2,727	
Discount on Supply Bills - - - - -	878	
Charges for remittance of Treasure - - - - -	2,684	
Purchase and keep of Stallions - - - - -	2,419	
Rewards for killing Wild Animals - - - - -	2,679	
Sundry Items - - - - -	4,635	
		20,329
Madras :		
Allowance to Civil Servants out of employ, and to those qualifying for the Public } Service - - - - -	11,290	
Payment to Bank of Madras, for conducting Treasury business - - - - -	2,078	
District Dāk or Tappal Establishment and Contingencies - - - - -	11,609	
Charges for remittance of Treasure - - - - -	6,169	
Loss by difference of Exchange - - - - -	2,961	
Purchase of Books and Publications - - - - -	948	
Donations for Charitable purposes - - - - -	16,722	
Sundry Items - - - - -	19,240	
Europe Stores - - - - -	548	
		71,565
Bombay and Sind :		
Allowance to Civil Servants out of employ, and to those qualifying for the Public } Service - - - - -	4,333	
Payment to Bank of Bombay, for conducting Treasury business - - - - -	2,424	
District Dāk Establishment and Contingencies - - - - -	3,816	
Charges for remittance of Treasure - - - - -	8,786	
Loss by difference of Exchange - - - - -	1,765	
Conservancy Charges and Contribution to Municipal Funds - - - - -	274	
Cotton Experiments - - - - -	3,638	
Special Commissions of Inquiry - - - - -	539	
Donations for Charitable purposes - - - - -	1,682	
Sundry Items - - - - -	28,899	
		56,156
TOTAL MISCELLANEOUS - - - £.		1,281,647

No. 26.—GENERAL ABSTRACT ACCOUNT of the CHARGES on Account of SUPER-
ANNUATION, RETIRED, and COMPASSIONATE ALLOWANCES, for the Year ended the
30th April 1866.

27.—SUPERANNUATION, RETIRED, AND COMPASSIONATE ALLOWANCES:		£.	£.
GOVERNMENT OF INDIA—GENERAL AND POLITICAL:			
Superannuation and Retired Allowances of the Revenue and other Public Departments -		17,302	
Compassionate Allowances - - - - -		9,053	
Gratuities - - - - -		4,363	
Donations to Service Funds - - - - -		110,873	141,591
Oudh:			
Superannuation and Retired Allowances of the Revenue and other Public Departments -		2,438	
Compassionate Allowances - - - - -		1,253	
Gratuities - - - - -		443	4,134
Central Provinces:			
Superannuation and Retired Allowances of the Revenue and other Public Departments -		14,681	
Compassionate Allowances - - - - -		1,448	
Gratuities - - - - -		666	16,795
British Burmah:			
Superannuation and Retired Allowances of the Revenue and other Public Departments -		2,239	
Gratuities - - - - -		1,116	3,355
East and West Berar:			
Superannuation and Retired Allowances of the Revenue and other Public Departments -		147	
Compassionate Allowances - - - - -		31	
Gratuities - - - - -		290	468
Eastern Settlements:			
Superannuation and Retired Allowances of the Revenue and other Public Departments -		1,676	
Compassionate Allowances - - - - -		24	1,700
Bengal:			
Superannuation and Retired Allowances of the Revenue and other Public Departments -		45,085	
Compassionate Allowances - - - - -		4,032	
Gratuities - - - - -		9,870	58,987
North Western Provinces:			
Superannuation and Retired Allowances of the Revenue and other Public Departments -		22,519	
Compassionate Allowances - - - - -		7,321	
Gratuities - - - - -		860	30,700
Punjab:			
Superannuation and Retired Allowances of the Revenue and other Public Departments -		14,311	
Gratuities - - - - -		1,489	15,800
Madras:			
Superannuation and Retired Allowances of the Revenue and other Public Departments -		38,621	
Compassionate Allowances - - - - -		8,081	
Gratuities - - - - -		3,387	
Donations to Service Funds - - - - -		188,896	238,985
Bombay and Sind:			
Superannuation and Retired Allowances of the Revenue and other Public Departments -		52,160	
Compassionate Allowances - - - - -		18,263	
Gratuities - - - - -		1,926	
Donations to Service Funds - - - - -		84,123	156,472
TOTAL SUPERANNUATION, RETIRED, AND COMPASSIONATE ALLOWANCES - - - - -		£.	668,987

No. 28.—GENERAL ABSTRACT ACCOUNT of the AMOUNT expended for BUILDINGS, ROADS, and other PUBLIC WORKS, for the Year ended the 30th April 1866.

PUBLIC WORKS—MILITARY BUILDINGS.										Construction of Military Buildings and Fortifications.	Repairs.	TOTAL.	
GOVERNMENT OF INDIA—GENERAL AND POLITICAL:										£.	£.	£.	£.
Oude	-	-	-	-	-	-	-	-	-	44,394	7,432	51,826	
Bengal	-	-	-	-	-	-	-	-	-	89,509	51,608	141,117	
North Western Provinces	-	-	-	-	-	-	-	-	-	67,040	44,855	111,895	
Punjab	-	-	-	-	-	-	-	-	-	95,993	47,990	143,983	
MINOR ADMINISTRATIONS:													
Central India	-	-	-	-	-	-	-	-	-	13,989	3,230	17,219	
Rajpootanah	-	-	-	-	-	-	-	-	-	24,772	4,272	29,044	
TOTAL GOVERNMENT OF INDIA - - - £.										335,697	159,387	495,084	
MADRAS:													
Madras	-	-	-	-	-	-	-	-	-	60,051	14,328	74,379	
Secunderabad	-	-	-	-	-	-	-	-	-	40,146	6,520	46,666	
Central Provinces	-	-	-	-	-	-	-	-	-	32,720	9,018	41,738	
British Burmah	-	-	-	-	-	-	-	-	-	45,231	6,881	51,612	
Eastern Settlements	-	-	-	-	-	-	-	-	-	2,530	2,433	4,963	
TOTAL GOVERNMENT OF MADRAS - - - £.										180,678	38,680	219,358	
Bombay	-	-	-	-	-	-	-	-	-	318,295	48,699	366,994	
TOTAL MILITARY BUILDINGS - - - £.										834,670	246,766	-	1,081,436
CIVIL ADMINISTRATION:										Construction of Civil Buildings in all Departments.	Repairs.	TOTAL.	
										£.	£.	£.	
Oude	-	-	-	-	-	-	-	-	-	30,591	2,179	32,770	
Central Provinces	-	-	-	-	-	-	-	-	-	65,248	3,904	69,152	
British Burmah	-	-	-	-	-	-	-	-	-	76,958	3,921	80,879	
East and West Berar	-	-	-	-	-	-	-	-	-	15,135	229	15,364	
Eastern Settlements	-	-	-	-	-	-	-	-	-	5,766	1,551	7,317	
Bengal	-	-	-	-	-	-	-	-	-	130,063	52,746	182,809	
North Western Provinces	-	-	-	-	-	-	-	-	-	67,941	14,822	82,763	
Punjab	-	-	-	-	-	-	-	-	-	26,675	11,608	38,283	
Madras	-	-	-	-	-	-	-	-	-	65,423	8,448	73,871	
Bombay, including Sind	-	-	-	-	-	-	-	-	-	119,834	30,305	150,139	
MINOR ADMINISTRATIONS:													
Coorg	-	-	-	-	-	-	-	-	-	145	142	287	
Central India	-	-	-	-	-	-	-	-	-	3,103	585	3,688	
Rajpootanah	-	-	-	-	-	-	-	-	-	2,890	138	3,028	
TOTAL CIVIL ADMINISTRATION - - - £.										609,772	130,578	-	740,350
Carried forward - - - £.													1,821,786

No. 28.—General Abstract Account of Amount expended for Buildings, &c., for Year ended 30 April 1866—*contd.*

	Construction of Roads, Bridges, Canals, Tanks, Embankments, &c.	Repairs.	TOTAL.	—
	£.	£.	£.	£.
Brought forward - - -	-	-	-	1,821,786
PUBLIC WORKS—continued.				
PUBLIC IMPROVEMENT:				
Oude - - - - -	29,362	14,435	43,797	
Central Provinces - - - - -	111,800	18,940	130,740	
British Burmah - - - - -	45,728	10,892	56,620	
East and West Berar - - - - -	30,672	1,512	32,184	
Eastern Settlements - - - - -	7,314	2,019	9,333	
Bengal - - - - -	229,488	113,036	342,524	
North Western Provinces - - - - -	100,035	114,988	215,023	
Punjab - - - - -	95,736	111,592	207,328	
Madras - - - - -	96,448	202,365	298,813	
Bombay, including Sind - - - - -	392,773	86,669	479,442	
MINOR ADMINISTRATIONS:				
Coorg - - - - -	5,946	1,606	7,552	
Central India - - - - -	29,158	7,363	36,521	
Rajpootanah - - - - -	2,905	197	3,102	
TOTAL PUBLIC IMPROVEMENT - - - £.	1,177,365	685,614	-	1,862,979
ESTABLISHMENT AND OTHER MISCELLANEOUS CHARGES:				
Oude - - - - -	-	-	27,402	
Central Provinces - - - - -	-	-	62,167	
British Burmah - - - - -	-	-	37,955	
East and West Berar - - - - -	-	-	14,399	
Eastern Settlements - - - - -	-	-	6,912	
Bengal - - - - -	-	-	143,411	
North Western Provinces - - - - -	-	-	138,778	
Punjab - - - - -	-	-	124,355	
Madras - - - - -	-	-	159,756	
Bombay, including Sind - - - - -	-	-	168,792	
MINOR ADMINISTRATIONS:				
Coorg - - - - -	-	-	2,056	
Central India - - - - -	-	-	12,935	
Rajpootanah - - - - -	-	-	7,623	
TOTAL ESTABLISHMENT, &c. - - - £.	-	-	-	906,541
TOOLS AND PLANT:				
Oude - - - - -	-	-	3,264	
Central Provinces - - - - -	-	-	4,078	
British Burmah - - - - -	-	-	1,782	
East and West Berar - - - - -	-	-	1,937	
Eastern Settlements - - - - -	-	-	352	
Bengal - - - - -	-	-	9,916	
North Western Provinces - - - - -	-	-	7,046	
Punjab - - - - -	-	-	5,830	
Madras - - - - -	-	-	16,950	
Bombay, including Sind - - - - -	-	-	21,680	
MINOR ADMINISTRATIONS:				
Coorg - - - - -	-	-	162	
Central India - - - - -	-	-	1,469	
Rajpootanah - - - - -	-	-	175	
TOTAL TOOLS and PLANT - - - £.	-	-	-	74,641
Carried forward - - - £.	-	-	-	4,665,947

No. 28.—General Abstract Account of Amount expended for Buildings, &c., for Year ended 30 April 1866—*cont^d*.

	£.	£.	£.
Brought forward - - -	- - -	- - -	4,665,947
PUBLIC WORKS— <i>continued</i> .			
UNCLASSIFIED CHARGES, BEING PAYMENTS TO CONTRACTORS:			
EXPENDITURE ON STOCK, PURCHASE OF MATERIALS, &c.			
Oude - - - - -	13,425		
East and West Berar - - - - -	9,840		
Eastern Settlements - - - - -	1,299		
North Western Provinces - - - - -	37,130		
Punjab - - - - -	53,253		
Madras - - - - -	12,650		
MINOR ADMINISTRATIONS:			
Coorg - - - - -	214		
Central India - - - - -	9,401		
		137,212	
Deduct—Decrease in Balances, <i>i.e.</i> , refunds from Contractors and value of Stores issued to Works and included in above account, but paid for in previous years:			
Central Provinces - - - - -	3,554		
British Burmah - - - - -	21,410		
Bengal - - - - -	98,269		
Bombay, including Sind - - - - -	5,141		
MINOR ADMINISTRATIONS:			
Rajpootanah - - - - -	160		
		128,534	
GOVERNMENT OF INDIA—GENERAL AND POLITICAL:			
Proportion of 1 per Cent. Income Tax allotment transferred to Local Fund - - -	- - -	110,000	
Oude:			
Compensation for Lands taken for Railway - - - - -	- - -	1,639	
Bengal:			
Compensation for Lands taken for Railways - - - - -	10,575		
Consulting Engineer for Railways and other Civil Establishments; Salaries, Establishments and Contingent Charges - - - - -	9,241		
		19,816	
North Western Provinces:			
Compensation for Lands taken for Railway - - - - -	2,122		
Consulting Engineer for Railways; Salaries, Establishments and Contingent Charges - - - - -	2,856		
		4,978	
Punjab:			
Compensation for Lands taken for Railway - - - - -	8,959		
Consulting Engineer for Railways and other Civil Establishments; Salaries, Establishment and Contingencies - - - - -	8,773		
		17,732	
Madras:			
Compensation for Lands taken for Railway, Irrigation and Canal Companies - - - - -	11,332		
Consulting Engineer for Railways, &c.; Salaries, Establishment and Contingent Charges - - - - -	4,996		
Consulting Engineer for Irrigation and Canal Company and other Civil Establishments - - - - -	3,302		
		19,630	
Carried forward - - - £.		173,795	4,674,625

No. 28.—General Abstract Account of Amount expended for Buildings, &c., for Year ended 30 April 1866—*cont^d*.

	£.	£.	£.	£.
Brought forward - - -	-	-	173,795	4,674,625
PUBLIC WORKS— <i>continued</i> .				
Bombay and Sind :				
Compensation for Lands taken for Railways - - -	-	149,829		
Consulting Engineer for Railways; Salaries, Establishment and Contingent Charges - - - - -	-	11,948	161,777	
LOSS BY EXCHANGE ON RAILWAY TRANSACTIONS.				335,572.
GOVERNMENT OF INDIA—GENERAL AND POLITICAL :				
Loss by difference of Exchange on the amount drawn in } India by the East Indian Railway Company - - -	46,568			
Deduct—Gain on Capital and Net Traffic receipts -	87,890	Excess Gain. 41,322		
Loss by difference of Exchange on the amount drawn in } India on account of the Jubbulpore Line - - -	-	32,824		
Loss by difference of Exchange on the amount drawn in } India by the Eastern Bengal Railway Company - -	4,987			
Deduct—Gain on Capital and Net Traffic receipts -	3,810	1,177		
Loss by difference of Exchange on the amount drawn in } India by the South Eastern Railway Company - -	-	3,250	Excess Gain. 4,071	
Punjab :				
Loss by difference of Exchange on the amount drawn in } India by the Punjab Railway Company - - -	-	48,753		
Deduct—Gain on Capital and Net Traffic receipts -	-	4,566	44,187	
Madras :				
Loss by difference of Exchange on advances made to the } Railway Company - - - - -	20,378			
Deduct—Gain on Capital and Net Traffic receipts -	23,101	Excess Gain. 2,723		
Loss by difference of exchange on advances made to the } Great Southern of India Railway Company - - -	10,253			
Deduct—Gain on Capital and Net Traffic receipts -	1,762	8,491	5,768	
Bombay and Sind :				
Loss by difference of Exchange on advances made to the } Great Indian Peninsula Railway Company - - -	97,556			
Deduct—Gain on Capital and Net Traffic receipts -	106,733	Excess Gain. 9,177		
Loss by difference of Exchange on advances made to the } Bombay, Baroda, and Central India Railway Company -	47,829			
Deduct—Gain on Net Traffic receipts - - -	30,389	17,440		
Loss by difference of Exchange on advances made for the } Sind Railway, Indus Flotilla, and Indus Valley Survey -	213			
Deduct—Gain on Net Traffic receipts - - -	3,854	Excess Gain. 3,641	4,622	50,506
TOTAL CHARGES ON ACCOUNT OF BUILDINGS, ROADS, &c. - - - £.				5,060,703

No. 29.—GENERAL ABSTRACT ACCOUNT of the GUARANTEED INTEREST on the CAPITAL of RAILWAY and other COMPANIES, for the Year ended the 30th April 1866.

	£.	£.	£.
GOVERNMENT OF INDIA:			
East Indian Railway Company - - - - -	12,257		
East Indian Railway Company, Jubbulpore Line - - - - -	338		
Eastern Bengal Railway Company - - - - -	338		
Calcutta and South Eastern Railway Company - - - - -	570		
		13,503	
P U N J A B:			
Punjab Railway - - - - -	420		
Punjab Railway (Delhi Branch) - - - - -	268		
		688	
B O M B A Y:			
Great Indian Peninsula Railway Company - - - - -	18,637		
Bombay, Baroda, and Central India Railway Company - - - - -	1,083		
Sind Railway Company - - - - -	1,084		
		20,804	
			34,995
E N G L A N D:			
Bombay, Baroda, and Central India Railway Company - - - - -		267,085	
Calcutta and South Eastern Railway Company - - - - -		22,342	
Eastern Bengal Railway Company - - - - -		81,296	
East Indian Railway Company - - - - -		1,185,556	
Great Indian Peninsula Railway Company - - - - -		613,227	
Great Southern of India Railway Company - - - - -		43,364	
Madras Railway Company - - - - -		377,528	
Sind Railway Company (including Indus Flotilla, and Punjab and Delhi Railways) - - - - -		263,848	
Madras Irrigation and Canal Company - - - - -		43,603	
			2,897,849
	TOTAL - - -	£.	2,932,844

No. 31.—GENERAL ABSTRACT ACCOUNT OF THE RECEIPTS AND DISBURSEMENTS OF THE SEVERAL PRESIDENCIES AND PROVINCES OF INDIA, for the year ending 30th April 1866, showing the Local Surplus or Deficit at each Presidency or Province.

GOVERNMENT OF INDIA.																	
Number of Account.	General and Political.						Oude.	Central Provinces.	British Burmah.	East and West Berar.	Eastern Settlements.	Bengal.	North Western Provinces.	Punjab.	Madras.	Bombay including Sind.	TOTAL.
	£.	£.	£.	£.	£.	£.											
NET REVENUES AND RECEIPTS:																	
1	2,886,829	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2	—	1,079,772	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3	—	—	648,885	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4	—	—	—	886,840	—	—	—	—	—	—	—	—	—	—	—	—	—
5	—	—	—	—	440,764	—	—	—	—	—	—	—	—	—	—	—	—
6	—	—	—	—	—	183,840	—	—	—	—	—	—	—	—	—	—	—
7	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
8	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
TOTAL NET RECEIPTS - - - £. 2,886,829 1,079,772 648,885 886,840 440,764 183,840 12,723,367 5,113,728 2,816,396 6,043,391 7,659,255 40,483,067																	
EXPENDITURE:																	
Interest on Funded and Unfunded Debt	2,763,532	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2,763,532
Interest on Service Funds and other Accounts	301,871	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	301,871
Administration and Public Departments	303,604	33,768	97,038	30,252	106	—	—	—	—	—	—	—	—	—	—	—	437,282
Law and Justice	134,815	63,601	72,308	148,873	10,505	24,463	603,927	—	—	108,758	95,181	123,121	156,601	—	—	—	2,423,206
Police	11,185	109,517	131,166	122,332	42,896	4,880	532,997	—	—	363,768	289,150	384,341	383,268	—	—	—	2,384,380
Marine	—	—	—	30,653	—	17,572	255,134	—	—	—	22,449	94,916	227,433	—	—	—	577,957
Education, Science, and Art	120,812	14,220	16,779	9,868	2,754	2,519	180,168	—	—	87,875	57,608	79,017	99,059	—	—	—	670,739
Ecclesiastical	—	—	—	3,153	—	2,519	24,958	—	—	15,784	17,329	39,711	84,048	—	—	—	154,886
Medical Services	276	8,963	12,690	7,513	1,685	6,778	60,923	—	—	35,782	25,485	40,285	65,609	—	—	—	274,889
Stationery and Printing	33,268	2,580	—	—	728	302	53,954	—	—	21,500	10,100	33,281	27,846	—	—	—	192,516
Political Agencies and other Foreign Services	95,308	—	—	5,871	—	—	3,815	—	—	10,888	10,888	9,882	87,833	—	—	—	220,056
Miscellaneous	1,052,529	—	13,469	5,026	10,644	—	16,984	—	—	20,329	20,329	71,565	56,156	—	—	—	1,281,047
Superannuation, Retired, and Compassionate Allowances	141,591	4,134	16,795	3,355	468	1,700	58,987	—	—	80,700	15,800	288,985	156,472	—	—	—	668,987
Army	8,149,844	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	8,149,844
Public Works	675,293	122,297	262,583	155,826	73,724	25,213	600,207	—	—	490,466	490,466	806,796	1,348,305	—	—	—	5,060,703
TOTAL EXPENDITURE - - - £. 13,855,082 374,591 571,022 522,261 152,301 104,889 2,550,374 6,048,787 32,668,771																	
Local Surplus, carried to Account No. 32	—	705,181	77,863	864,579	288,463	78,951	10,163,993	—	—	3,569,019	1,574,296	849,736	1,610,468	—	—	—	7,814,296
Local Deficit, carried to Account No. 32	10,968,253	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	10,968,253
TOTAL - - - £. 2,886,829 1,079,772 648,885 886,840 440,764 183,840 12,723,367 6,043,391 7,659,255 40,483,067																	
Local Surplus brought down - - - £. 7,814,296																	
Deduct—Charges defrayed in England (per Account No. III.) - - - 4,981,185																	
Net Guaranteed Interest on the Capital of Railway and other Companies (per Account No. III.) - - - 67,043																	
5,046,228																	
EXCESS OF INCOME OVER EXPENDITURE - - - £. 2,768,008																	

No. 32.—AN ACCOUNT of the Aggregate of BALANCES of PUBLIC MONEY in the Treasuries of INDIA, on the 30th April 1865; the AMOUNT of DEBT incurred and discharged during the Year 1865-66; including the AMOUNT of ADVANCES and REPAYMENTS on various Accounts, the SUPPLIES to and from LONDON, and between the several Presidencies and Provinces; and the TOTAL BALANCE in the Indian Treasuries on the 30th April 1866.

R E C E I P T S.

	GOVERNMENT OF INDIA.							North Western Provinces.	Punjab.	Madras.	Bombay, including Sind.	TOTAL.
	General and Political.	Oude.	Central Provinces.	British Burmah.	East and West Berar.	Eastern Settlements.	Bengal.					
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
Aggregate of Cash Balances in the Indian Treasuries on the 30th April 1865	1,522,222	320,855	401,910	892,948	304,474	38,588	1,945,602	1,885,820	920,214	2,419,318	2,308,880	12,698,807
DEBT INCURRED:												
Loans	2,948,861	-	-	-	-	-	-	-	-	-	-	2,948,861
Treasury Notes	157,065	-	-	-	-	-	-	-	-	-	-	203,995
Treasury Bills	12,100	-	-	-	-	-	-	-	-	-	-	12,100
Bills outstanding	-	-	-	-	-	-	-	-	-	-	-	4,849
Service Funds	-	4,010	3,983	9,761	1,244	1,089	12,705	11,558	8,305	478,863	2,408	1,508,932
Deposits	466,862	222,400	67,818	47,271	25,977	120,819	1,016,034	937,054	529,504	1,567,610	839,097	6,933,505
Sale of Waste Lands, &c.	-	6,011	4,015	60	-	-	47,913	1,064	944	2,704	2,704	63,320
Local Funds	124,042	135,731	174,580	100,247	115,587	-	461,880	608,784	295,519	108,666	515,086	2,785,194
Miscellaneous	20,483	4,701	5,347	189	533	105	35,675	7,223	6,789	90	15,064	97,379
Advances Recoverable	289,643	42,601	86,793	62,285	18,501	6,200	504,224	95,565	98,368	270,749	641,881	2,110,310
Prize Money	1,631	-	-	-	-	-	-	-	-	-	18	1,649
Local Remittances	-	196,840	61,493	15,934	-	-	427,581	-	204,842	-	-	846,695
TOTAL DEBT INCURRED	4,740,844	582,800	403,990	235,796	156,572	128,213	3,136,018	1,726,448	1,139,221	2,559,359	2,377,728	17,165,069
SUPPLIES FROM LONDON:												
Bills on the Secretary of State for India for Interest of Indian Debt	1,021	-	-	-	-	-	-	-	-	-	-	1,021
Other Bills on the Secretary of State for India	25,773	-	-	-	-	-	-	-	-	-	-	26,861
Dividends on Stock of the Transfer Loans	17,880	-	-	-	-	-	-	-	-	2,525	31,563	17,880
Advances made in England, repaid	393,125	287	140	134	51	-	6,803	135	363	303,497	167,950	872,505
Miscellaneous, including Credits to Her Majesty's Government	250,384	-	-	6,590	-	-	801	14,376	-	14,376	26,189	207,310
Invoice Value of Stores	370,722	-	-	3,782	-	-	56,507	14,290	1,409	107,750	129,822	741,288
Revenue Receipts, Irrigation and Canal Company	-	-	-	-	-	-	-	-	-	227	-	227
Traffic Receipts on account of Indian Railways	999,518	-	-	-	-	-	-	-	-	-	-	2,865,574
Railway Capital	3,880	-	-	-	-	-	-	-	-	273,491	1,542,442	12,270
Capital Receipts, Irrigation and Canal Company	-	-	-	-	-	-	-	-	-	3,319	-	3,319
TOTAL SUPPLIES FROM LONDON	2,062,803	287	140	9,506	51	-	64,111	14,445	51,995	765,191	1,903,256	4,871,295
ACCOUNTS CURRENT BETWEEN THE PRESIDENCIES:												
Bills drawn, Remittances of Treasure, and Advances and Disbursements (Excess Credits to)	16,321,595	-	-	-	-	-	-	-	-	-	1,737,294	18,058,889
Excess of Income over Expenditure (Account No. 31)	-	705,131	77,863	364,579	288,463	78,951	10,163,993	3,569,019	1,574,290	349,736	1,610,468	15,782,549
TOTAL	24,725,904	1,387,128	885,003	1,092,739	830,890	245,752	15,300,784	7,195,782	3,605,720	6,068,604	9,937,192	71,517,319

GOVERNMENT OF INDIA.																				
General and Political.		Onde.	Central Provinces.		British Burmah.	East and West Berar.		Eastern Settlements.		Bengal.	North Western Provinces.	Punjab.	Madras.	Bombay, including Sind.	TOTAL.					
£.	Rs.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.					
Loans - - - - -	3,922,008	-	-	-	-	-	-	-	-	-	-	-	-	-	3,922,008					
Treasury Notes - - - - -	231,811	-	-	-	-	-	-	-	-	-	-	-	-	-	231,811					
Treasury Bills - - - - -	10,610	-	-	-	-	-	-	-	-	-	-	-	-	-	10,610					
Bills outstanding - - - - -	25,179	-	-	-	-	-	-	-	-	-	-	-	-	-	25,179					
Service Funds - - - - -	688,627	141	-	-	-	-	-	-	-	-	-	-	-	-	688,627					
Deposits - - - - -	501,868	219,618	73	115,907	53,203	4,563	9,387	1,072	1,699,684	4,366	1,305	490,887	377,727	298,332	1,307,847					
Investment of Sale Proceeds of Waste Lands - - - - -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
Local Funds - - - - -	51,304	146,897	174,412	125,926	104,366	1,863	618	-	630,827	602,866	806,655	306,655	176,468	388,799	2,662,021					
Miscellaneous - - - - -	25,097	2,894	5,447	618	1,863	1,863	618	223	5,232	10,577	8,804	1,506	1,506	1,505	74,601					
Advances recoverable - - - - -	197,256	19,247	61,080	12,613	64,839	443,839	443,839	4,034	-	88,514	106,008	245,587	245,587	571,883	1,811,330					
Prize Money - - - - -	39,785	-	-	-	-	-	-	-	-	-	-	-	1,440	6,135	47,360					
Local Remittances - - - - -	364,921	-	-	-	-	-	-	-	-	135,701	-	-	110,280	277,763	888,761					
TOTAL DEBT Discharged - £.	6,038,496	387,187	358,855	149,410	228,064	-	-	130,413	2,836,250	1,027,201	922,619	2,486,129	2,592,302	-	18,080,920					
SUPPLIES TO LONDON:																				
Bills drawn by the Secretary of State for India discharged - - - - -	4,110,145	-	-	-	-	-	-	-	-	-	-	-	419,874	1,029,000	6,459,619					
Bills on Her Majesty's Government transmitted for India - - - - -	100,107	-	-	-	-	-	-	-	-	-	-	-	-	-	100,107					
Specific Remittance to the Secretary of State for India - - - - -	160,000	-	-	-	-	-	-	-	-	-	-	-	-	-	160,000					
Supplies to Her Majesty's Government, repayable in England - - - - -	258,386	-	-	-	-	-	-	-	-	-	-	-	-	-	258,386					
Miscellaneous - - - - -	28,634	47	-	-	6	-	-	5	-	4	-	-	40,532	11,027	80,253					
Payments on account of the Irrigation and Canal Company - - - - -	-	-	-	-	-	-	-	-	-	-	-	-	114,455	-	114,455					
Payments on account of Indian Railways, under Deeds of Contract with the respective Railway Companies - - - - -	955,611	-	-	-	-	-	-	-	-	-	-	586,284	336,948	1,601,675	3,438,413					
TOTAL SUPPLIES TO LONDON - £.	5,615,883	47	-	-	6	-	-	5	-	4	-	536,284	911,804	3,542,202	10,000,235					
ACCOUNTS Current between the Presidencies:																				
Bills paid, Remittances of Treasure, and Advances and Disbursements (Excess Debits to) - - - - -	-	885,755	178,342	440,365	126,111	-	-	76,328	11,171,356	3,714,056	1,380,923	101,444	-	-	18,084,280					
Excess of Expenditure over Income (Account No. 31) - - - - -	10,968,253	-	-	-	-	-	-	-	-	-	-	-	-	-	10,968,253					
Cash Balance in the Indian Treasuries on the 30th April 1866 - - - - -																				
- - - - -	2,083,332	314,124	816,706	324,404	564,239	30,006	1,302,174	855,900	1,558,875	7,195,732	3,695,726	6,093,004	2,504,227	3,602,533	13,771,625					
- - - - -	24,725,064	1,587,123	883,003	1,002,739	839,860	245,732	15,300,784	-	71,957,319	-	-	-	-	-	71,517,319					
£.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					

No 33. -GENERAL ABSTRACT ACCOUNT of PAYMENTS on Account of INDIAN RAILWAYS,
deducting Traffic and other Receipts.

	Amount Drawn in India.	Deduct Capital Received in India.	Net Amount Drawn in India.	TOTAL.	TOTAL of India.
	£.	£.	£.	£.	£.
GOVERNMENT OF INDIA :					
East Indian Railway, Extension Line - -	499,996	3,712	496,284		
East Indian Railway, Jubbulpore Line - -	360,729	-	360,729		
Eastern Bengal Railway - - - -	54,517	168	54,349		
Calcutta and South Eastern Railway - -	29,866	-	29,866		
Interest on Railway Capital, as shown in Account, No. 29 - - - - -	-	-	13,503		
Deduct,—			954,731		
Net Traffic Earnings of the East Indian Railway - - - - -	-	963,085			
Net Traffic Earnings of the Eastern Bengal Railway - - - - -	-	41,739			
Excess of Working Charges over Traffic Earnings of the Calcutta and South Eastern Railway - - - - -	-	1,004,824 5,306			
			999,518	Excess Receipts 44,787	
P U N J A B :					
Punjab Railway - - - - -	155,297	-	155,297		
Punjab Railway (Delhi Branch) - -	380,299	100	380,199		
Deduct,—			535,496		
Net Traffic Earnings, Punjab Railway -	-	-	50,123		
Interest on Railway Capital, as shown in Account, No. 29 - - - - -	-	-	485,373 688		
				486,061	
M A D R A S :					
Madras Railway (South-west Line) - -	31,892	-	31,892		
Madras Railway (North-west Line) - -	192,265	-	192,265		
Great Southern of India Railway - -	112,786	-	112,786		
Deduct,—			336,943		
Net Traffic Earnings of the Madras Rail- way (South-west Line) - - - - -	-	215,481			
Net Traffic Earnings of the Madras Rail- way (North-west Line) - - - - -	-	38,626			
Net Traffic Earnings of the Great Southern of India Railway - - - - -	-	19,384			
			273,491	63,452	
BOMBAY AND SIND :					
Great Indian Peninsula Railway - - -	1,054,484	8,290	1,046,194		
Bombay, Baroda, and Central India Railway	525,030	-	525,030		
Sind Railway and Indus Steam Flotilla -	1,257	-	1,257		
Deduct,—			1,572,481		
Net Traffic Earnings of the Great Indian Peninsula Railway - - - - -	-	1,165,778			
Net Traffic Earnings of the Bombay, Baroda, and Central India Railway -	-	334,274			
Net Traffic Earnings of the Sind Railway and Indus Steam Flotilla - - - - -	-	42,390			
			1,542,442		
Interest on Railway Capital, as shown in Account No. 29 - - - - -	-	-	30,039 20,804		
				50,843	
TOTAL Net Payments to the Railway Companies in India				£.	555,569

No. 34.—GENERAL ABSTRACT ACCOUNT of the SUMS paid and payable for Interest on the HOME DEBT of INDIA, for the Year ended the 30th April 1866; showing also the AMOUNT of the DEBT at that Date bearing Interest.

	Amount of Debt, 30th April 1866.	Rate of Interest.	Amount of Interest paid in the Year ended 30th April 1866.	Annual Amount of Interest Payable.
	£.		£.	£.
East India Bonds - - - - -	3,067,300	5 per Cent.	153,900	153,365
East India Debentures - - - - -	4,868,000	4 per Cent.	194,720	194,720
India Five per Cent. Stock - - - - -	16,570,100	5 per Cent.	803,505	828,505
India Four per Cent. Stock - - - - -	2,441,000	4 per Cent.	97,640	97,640
	26,946,400	- - -	1,249,765	1,274,230
East India Stock - - - - -	6,000,000	10½ per Cent.	629,970	630,000
	£. 32,946,400	- - -	1,879,735	1,904,230

No. 35.—GENERAL ABSTRACT ACCOUNT of the CHARGES in ENGLAND for TRANSPORT of Troops, in the Year ended the 30th April 1866.

	£.
Proportion paid in England of the Passage-money of Officers and Troops to India -	76,907
Preserved Provisions, Grocery, Bedding, and other Supplies for the use of the Troops } on the Voyage outward, &c. - - - - -	9,707
Proportion paid in England of the Passage-money of Officers and Troops homeward -	191,752
Medical Attendance upon Troops on the Homeward Voyage - - - - -	948
Expenses connected with the Examination of Troop Ships, and the Embarkation of Troops } proceeding to India - - - - -	1,102
	£. 280,416
Receipts in Reduction - - - - -	£. 1,962

No. 36.—GENERAL ABSTRACT ACCOUNT of the Particulars comprised under the Head of "CIVIL CHARGES," in the Statement of the Home Expenditure (No. III.), in the Year ended the 30th April 1866.

	£.	£.	£.
Home Establishment: Salaries of the Secretary of State, Under Secretaries of State, Members of the Council of India, Secretaries and Officers of the Secretary of State for India in Council, Assistant Military Secretary to His Royal Highness the Field Marshal Commanding in Chief, and Clerk, Assistant to Director of Transports at the Admiralty, and Member of the London Medical Board - - }	119,600		
Auditor and Assistants under Act 21 & 22 Vict. c. 106, s. 52 - - -	2,215		
Stores Department: Wages of Labourers, Cartage, Lighterage, Dock Dues, &c. - - - - - }	15,850		
Law Charges - - - - -	3,017		
Bank of England and Bank of Ireland, for management of Debt - -	10,391		
Postage of Despatches to and from India - - - - -	3,275		
Ganges Canal: Cost of Lithographing, &c., Plans to accompany Report	484		
Office Contingencies: Rent, Rates, Taxes, Coals, Gas, Candles, Furniture and Repairs, Books, Maps and Charts, Printing, Stationery, Stamps, Bookbinding, Advertisements, Postage, and various petty Charges - }	24,733		
		179,565	
Amount paid under Postal Arrangement with the Lords of Her Majesty's Treasury -		54,778	
Subsidy to the Euphrates and Tigris Steam Navigation Company, on account of the Mail Service between Bussorah and Bagdad - - - - - }		2,400	
On account of Red Sea and India Telegraph - - - - -		18,027	
On account of Malta and Alexandria Telegraph - - - - -		627	
On account of Mission to the Court of Persia - - - - -		12,000	
On account of Her Majesty's Establishments in China - - - - -		18,736	
Pensions and Retired Allowances - - - - -		221,009	
Compensation Pensions to Officers and Petty Officers, &c., of the Maritime Service of the East India Company - - - - - }		16,829	
Furlough and Absentee Allowances - - - - -		77,587	
New India Office - - - - -		68,415	
Purchase of Land for improving the Site of the India Office, and the Approaches thereto - - - - - }		22,823	
East India Company, for Expenses in respect of their Capital Stock and Dividends		2,840	
Poplar Fund: Pensions and Expenses of Hospital - - - - -		3,750	
Annual Donation to Bengal Civil Fund - - - - -		2,500	
Gratuities, Subscriptions to Charities, and Relief to Distressed Natives of India -		1,445	
Gratuities to Families of Officers killed in Action - - - - -		358	
Carried forward - - - £.		703,689	

No. 36.—GENERAL ABSTRACT ACCOUNT of Civil Charges, &c, in the Year ended the 30th April 1866—*continued*.

	£.	£.
Brought forward - - -	703,689	
Maintenance of Lunatics from India - - - - -	7,900	
Transport of Convicts from India to Western Australia - - - - -	538	
Passage and Outfit of the Governor of Madras, the Commander in Chief at Bombay, Puisne Judge of the High Court of Judicature at Calcutta, Puisne Judge of the High Court of Judicature at Bombay, Puisne Judge of the High Court of Judicature in the North Western Provinces, Chaplains, Professors, Schoolmasters, Civil Engineers, &c. - - - - -	11,102	
Examination Expenses and Allowances of Candidates for the Civil Service of India, and Civil Engineers - - - - -	8,360	
Expenses on account of Officers acquiring Scientific Knowledge - - - - -	320	
Agents at the Outports and Abroad: Salaries and Expenses - - - - -	2,448	
Expenses in connexion with the introduction of Cinchona Plants into India - - -	616	
Medals - - - - -	183	
Indian Law Commission - - - - -	3,000	
Indian Accounts Commission - - - - -	1,035	
Expenses connected with the Extension of the Order of the "Star of India" - - -	5,634	
Gratuities granted in lieu of Pensions to Members of the Uncovenanted Service of India - - - - -	3,535	
Allowances to Officers for Special Services, Expenses of Royal Commission of Inquiry to consider Memorials of Indian Officers, Fees for the Preparation of New Letters Patent for the High Courts of Judicature in India, &c. - - - - -	2,964	
		751,324
RECEIPTS in Reduction :		
Interest realised from Investment of Cash Balance, &c. - - - - -	79,144	
Fees, Subscriptions to Widows' Funds, &c. - - - - -	11,914	
On account of Maintenance of Lunatics - - - - -	283	
The War Office for the first instalment of Purchase Money of Warley Barracks - -	15,000	
Proceeds of Sales of Coals at the Indian Coal Depôt at Suez - - - - -	3,622	
On account of Stamps, Fines, &c. - - - - -	1,825	
		111,788
	£.	639,536

No. 37.—GENERAL ABSTRACT ACCOUNT of Stores Exported to INDIA, in the Year ended the 30th April 1866.

	B E N G A L.			M A D R A S.			B O M B A Y.			TOTAL Invoice Amount of Stores Exported.
	Cost.	Freight.	TOTAL.	Cost.	Freight.	TOTAL.	Cost.	Freight.	TOTAL.	
CIVIL STORES:										
Stationery - - - - -	£. 36,873	£. 521	£. 37,394	£. 14,285	£. 169	£. 14,454	£. 4,785	£. 31	£. 4,816	£. 50,664
Mint Stores - - - - -	89,658	650	90,308	96,894	639	97,533	48,856	683	49,539	237,380
Public Works Stores - - -	33,729	1,246	34,975	11,080	201	11,281	43,062	1,365	44,427	90,633
Telegraph Stores - - - -	14,005	297	14,302	4,135	39	4,174	80,114	7,407	87,521	105,997
Miscellaneous Stores - - -	2,488	152	2,640	5,668	42	5,710	820	144	964	9,314
	£. 176,753	2,866	179,619	132,012	1,090	133,102	177,637	9,630	187,267	499,988
MILITARY STORES:										
Medical - - - - -	12,997	94	13,091	7,259	32	7,291	224	-	224	20,606
Miscellaneous Stores - - -	376,789	3,989	380,778	90,314	761	91,065	90,553	1,147	91,700	563,543
	£. 389,786	4,083	393,869	97,573	783	98,356	90,777	1,147	91,924	584,149
Marine Stores - - - - -	63,031	2,625	65,656	2,368	52	2,420	10,361	376	10,737	78,813
	£. 629,570	9,574	639,144	231,953	1,925	233,878	278,775	11,153	289,928	1,162,950
TOTAL AMOUNT OF STORES Exported - - - - -										

Fort William,
Office of the Comptroller General of Accounts,
Central Accounts Branch, 30 January 1867.

R. P. Harrison,
Comptroller General of Accounts.
Thomas Peachey,
Deputy Comptroller General of Accounts.

India Office,
22 April 1867.

William G. Goodlife,
Accountant General.

PART II.

ESTIMATE OF REVENUE, EXPENDITURE,
AND CASH BALANCES,

1866-67;

AND A COMPARISON WITH THE ACTUAL ACCOUNT OF 1865-66.

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ESTIMATE OF REVENUE, EXPENDITURE,

AND CASH BALANCES,

1866-67.

NO. I.—AN ESTIMATED ACCOUNT of the GROSS REVENUES of INDIA for the Year 1866–67 (viz. out of those REVENUES, the NET RECEIPTS into the several Government Treasuries, and the Rates of Two Shillings the Rupee.

REVENUES AND RECEIPTS.	1.	2.	3.
	GROSS RECEIPTS.	Repayments. — Allowances, Refunds, and Drawbacks.	NET RECEIPTS within the Year, after deducting Repayments.
LAND REVENUE, &c.	£.	£.	£.
Land Revenue - - - - -	18,610,200	56,502	18,553,698
Tributes and Contributions from Native States - - - - -	651,480	- - -	651,480
Forest - - - - -	352,710	740	351,970
Abkaree (Excise) - - - - -	2,137,150	5,433	2,131,717
TOTAL Land Revenue, &c. - - £.	21,751,540	62,675	21,688,865
Income Tax - - - - -	20,630	2,830	17,800
Customs - - - - -	2,045,140	90,349	1,954,791
Salt - - - - -	5,621,770	36,921	5,584,849
Opium - - - - -	6,875,700	- - -	6,875,700
Stamps - - - - -	1,873,250	39,412	1,833,838
Mint - - - - -	239,500	- - -	239,500
Post Office - - - - -	355,580	- - -	355,580
Telegraph - - - - -	288,600	- - -	288,600
Law and Justice - - - - -	642,060	4,996	637,064
Police - - - - -	203,420	- - -	203,420
Marine - - - - -	235,440	8,250	227,190
Education - - - - -	60,860	- - -	60,860
Interest - - - - -	245,650	- - -	245,650
Miscellaneous - - - - -	362,750	91,533	271,217
Army—Miscellaneous - - - - -	679,470	- - -	679,470
Public Works—Miscellaneous - - - - -	411,170	- - -	411,170
GRAND TOTAL - - £.	41,912,530	336,966	41,575,564

from 1st May 1866 to 31st March 1867); with the CHARGES of COLLECTION, and other PAYMENTS per Cent. for which the Gross Receipts were Collected, converted into Sterling Money, at the Rate

CHARGES AGAINST INCOME.				8.	9.	
4.	5.	6.	7.	NET RECEIPTS	Rate per Cent. for which the Gross Receipt was Collected.	
Charges of Collection, including Cost and Charges of Salt and Opium.	Allowances and Assignments under Treaties and Engagements.	Allowances to District and Village Officers, &c.	TOTAL CHARGES against INCOME.	into the several Government Treasuries.		
£.	£.	£.	£.	£.		
1,906,296						
—						
231,208						
214,487						
2,351,991	1,567,782	381,287	4,301,060	17,387,805	10·813	
1,237	- - -	- - -	1,237	16,563	5·996	
188,661	- - -	- - -	188,661	1,766,130	9·225	
					Including Cost of Salt and Opium.	Excluding Cost of Salt and Opium.
346,772	- - -	- - -	346,772	5,238,077	6·168	3·664
1,616,013	- - -	- - -	1,616,013	5,259,687	23·503	1·358
81,885	- - -	- - -	81,885	1,751,953	4·371	
135,342	- - -	- - -	135,342	104,158	56·510	
431,772	- - -	- - -	431,772	{ Excess charge 76,192 }	121·427	
487,852	- - -	- - -	487,852	{ Excess charge 199,252 }	169·041	
- - -	- - -	- - -	- - -	637,064		
- - -	- - -	- - -	- - -	203,420		
- - -	- - -	- - -	- - -	227,190		
- - -	- - -	- - -	- - -	60,860		
- - -	- - -	- - -	- - -	245,650		
- - -	- - -	- - -	- - -	271,217		
- - -	- - -	- - -	- - -	679,470		
- - -	- - -	- - -	- - -	411,170		
5,641,525	1,567,782	381,287	7,590,594	33,984,970		

No. II.—AN ESTIMATED ACCOUNT of the TOTAL INCOME of the Revenues of INDIA in the Year ending 31st March 1867; together with an Account of the PUBLIC EXPENDITURE, including REPAYMENTS, ALLOWANCES, and DRAWBACKS, and ALLOWANCES and ASSIGNMENTS under Treaties and Engagements, and other PAYMENTS made out of the REVENUES, but exclusive of the Sums applied to the Reduction of Debt.

HEADS OF REVENUE AND RECEIPTS.		GROSS RECEIPTS, as stated in Column I of the Account of Income, No. I.	Number of Account.	EXPENDITURE.	
		£.			£.
Land Revenue, including Tributes and Contributions from Native States, Forest and Abkaree Revenues, &c.	- - - - -	21,751,540	I.	Repayments, Allowances, Refunds, and Drawbacks	336,966
Income Tax	- - - - -	20,630			
Customs	- - - - -	2,045,140			
Salt	- - - - -	5,621,770		PAYMENTS in realization of the REVENUE:	
Opium	- - - - -	6,875,700	"	Charges of Collection, &c.	5,641,525
Stamps	- - - - -	1,873,250	"	Allowances and Assignments under Treaties and Engagements	1,567,782
Mint	- - - - -	239,500	"	Allowances to District and Village Officers, &c.	381,287
Post Office	- - - - -	355,580			
Telegraph	- - - - -	288,600		TOTAL of the direct Claims and Demands upon the Revenues, including Charges of Collection and Cost of Salt and Opium	7,927,560
Law and Justice	- - - - -	642,060			
Police	- - - - -	203,420			
Marine	- - - - -	235,440	III.	Charges in India, including Interest on Debt, and the Value of Stores received from England	29,833,977
Education	- - - - -	60,860			
Interest	- - - - -	245,650		Charges in England, excluding the Value of Stores, &c. supplied to India	5,474,245
Miscellaneous	- - - - -	362,750	"		
Army—Miscellaneous	- - - - -	679,470	"	Guaranteed Interest on the Capital of Railway and other Companies, in India and in England, deducting Net Traffic Receipts	1,028,769
Public Works—Miscellaneous	- - - - -	411,170			
		41,912,530			
		2,352,021			
EXCESS of EXPENDITURE over INCOME	- - - - -	£. 44,264,551			£. 44,264,551

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REVENUES AND RECEIPTS:		£.	£.
Land Revenue, including Tributes and Contributions from Native States, Forest and Abkaree Revenues, &c.		17,387,805	
Income Tax		16,563	
Customs		1,766,130	
Salt		5,238,077	
Opium		5,259,687	
Stamps		1,761,953	
Mint		104,158	
Post Office		76,192	
Telegraph		199,252	
Law and Justice		637,064	
Police		203,420	
Marine		227,190	
Education		60,860	
Interest		245,650	
Miscellaneous		271,217	
Army—Miscellaneous		679,470	
Public Works—Miscellaneous		411,170	
EXCESS OF EXPENDITURE OVER INCOME			
		33,984,970	
		2,352,021	
		36,336,991	
		£.	

CHARGES IN INDIA:		£.	£.
Interest on Funded and Unfunded Debt—		-	2,217,170
Interest on Service Funds and other Accounts		-	600,894
Administration and Public Departments		-	1,001,761
Law and Justice		-	2,418,396
Police		-	2,199,697
Marine—		-	520,008
Education, Science, and Art		-	683,130
Ecclesiastical		-	147,479
Medical Services		-	276,490
Stationery and Printing		-	154,564
Political Agencies and other Foreign Services		-	221,340
Miscellaneous		-	327,427
Superannuation, Retired, and Compassionate Allowances—		-	687,585
Army		-	12,338,959
Public Works:—		£.	
Public Works		-	4,640,754
Supervision and Cost of Land for Railways		-	508,911
Loss by Exchange on Railway Transactions		-	210,330
Income Tax Grant		-	60,100
			5,420,095
Stores from England, including Freight (as made up in India) *			29,209,995
* The Estimated Expenditure in England, excluding Copper, as in 1865-66, is £.1,078,453.			623,982
CHARGES IN ENGLAND:			
Civil Charges		-	674,581
Military Charges		-	2,807,288
Marine Charges		-	56,113
Interest on Debt		-	3,537,982
Guaranteed Interest on the Capital of Railway and other Companies in India and in England		-	1,936,263
Less,—Net Traffic Receipts		-	3,078,679
		-	2,049,910
			5,474,245
			1,028,769
			36,336,991
			£.

A P P E N D I X.

ESTIMATE OF REVENUE, EXPENDITURE, AND CASH BALANCES. 1866-67.

- I.—District Revenues and Charges - - - - - pp. 78 to 88.
II.—Sundry Abstract Accounts - - - - - pp. 89 to 91.
III.—General Abstracts of the Total Revenues and Charges
of the several Districts - - - - - pp. 92 to 104

No. 1.—AN ESTIMATED ACCOUNT of the GROSS REVENUES of the TREASURIES and DEPARTMENTS under the immediate Control of the Government of INDIA, for the Year 1866-67; with the CHARGES of COLLECTION and other PAYMENTS out of those REVENUES, the NET RECEIPTS into the several Government Treasuries, and the Rates per Cent. for which the Gross Receipts were Collected.

REVENUES AND RECEIPTS.	CHARGES AGAINST INCOME.				7. NET RECEIPTS into the several Government Treasuries.	8. Rate per Cent. for which the Gross Receipt was Collected.
	1. GROSS RECEIPTS. £.	2. Repayments. — Allowances, Refunds, and Drawbacks. £.	3. NET RECEIPTS within the Year, after deducting Repayments. £.	4. CHARGES of COLLECTION. £.		
LAND REVENUE, &c.						
Land Revenue - - - - -	15,900	-	15,900	9,900	-	-
Tributes and Contributions from Native States - - -	71,930	-	71,930	-	-	-
Forest - - - - -	6,737	-	6,737	4,893	-	-
Abkaree (Excise) - - - - -	17,550	-	17,550	554	-	-
Total Land Revenue, &c. - - -	112,117	-	112,117	15,347	157,697	173,044 { Excess Charge, 60,927 }
Income Tax - - - - -	2,500	-	2,500	-	-	2,500
Customs - - - - -	400	-	400	-	-	400
Stamps - - - - -	4,700	50	4,650	227	-	4,423
Mint - - - - -	146,100	-	146,100	55,725	-	90,375
Post Office - - - - -	355,580	-	355,580	431,772	-	{ Excess Charge, 76,192 }
Telegraph - - - - -	288,600	-	288,600	487,852	-	{ Excess Charge, 199,252 }
Law and Justice - - - - -	25,980	-	25,980	-	-	25,980
Police - - - - -	2,500	-	2,500	-	-	2,500
Education - - - - -	4,830	-	4,830	-	-	4,830
Interest - - - - -	213,180	-	213,180	-	-	213,180
Miscellaneous - - - - -	136,730	14,950	121,780	-	-	121,780
Army—Miscellaneous - - - - -	433,070	-	433,070	-	-	433,070
Public Works—Miscellaneous - - - - -	1,000	-	1,000	-	-	1,000
TOTAL GOVERNMENT OF INDIA - - - £.	1,727,287	15,000	1,712,287	990,923	157,697	1,148,020 563,607

No. 2.—AN ESTIMATED ACCOUNT of the GROSS REVENUES of the OUDE TERRITORY, for the Year 1866-67; with the CHARGES of COLLECTION and other PAYMENTS out of those REVENUES; the NET RECEIPTS into the several Government Treasuries, and the Rates per Cent. for which the Gross Receipts were collected.

AREA, 27,890		POPULATION, 8,071,075.							
REVENUES AND RECEIPTS.		1.	2.	3.	CHARGES AGAINST INCOME.			8.	9.
		GROSS RECEIPTS.	Repayments, ——— Allowances, Refunds, and Drawbacks.	NET RECEIPTS within the Year, after deducting Repayments.	4.	5.	6.	7.	
		£.	£.	£.	CHARGES of COLLECTION.	Allowances and Assignments under Treaties and Engagements.	Allowances to District and Village Officers.	TOTAL CHARGES against INCOME.	NET RECEIPTS into the several Government Treasuries.
					£.	£.	£.	£.	£.
LAND REVENUE, &c.:									
Land Revenue	- - - - -	1,035,000	543	1,034,457	139,220				
Forest	- - - - -	12,860	-	12,860	9,264				
Abkaree (Excise)	- - - - -	67,000	59	66,941	6,315				
Total Land Revenue, &c.		1,114,860	602	1,114,258	154,799	101,848	513	257,160	857,098
Income Tax	- - - - -	450	120	330	-	-	-	-	830
Salt	- - - - -	2,700	-	2,700	5,534	-	-	5,534	{ Excess Charge, 2,834 }
Stamps	- - - - -	54,300	1,278	53,022	2,839	-	-	2,839	50,183
Law and Justice	- - - - -	11,670	458	11,212	-	-	-	-	11,212
Police	- - - - -	12,870	-	12,870	-	-	-	-	12,870
Education	- - - - -	460	-	460	-	-	-	-	460
Interest	- - - - -	180	-	180	-	-	-	-	180
Miscellaneous	- - - - -	2,300	142	2,158	-	-	-	-	2,158
Public Works—Miscellaneous	- - - - -	890	-	890	-	-	-	-	890
TOTAL OUDE TERRITORY		1,200,680	2,600	1,198,080	163,172	101,848	513	265,533	932,547
		£.							

No. 3.—AN ESTIMATED ACCOUNT of the GROSS REVENUES of the CENTRAL PROVINCES, for the Year 1866-67; with the CHARGES of COLLECTION and other PAYMENTS out of those REVENUES; the NET RECEIPTS into the several Government Treasuries, and the Rates per Cent. for which the Gross Receipts were Collected.

AREA 108,650 - - - - - POPULATION, 6,678,659.

REVENUES AND RECEIPTS.		1.	2.	3.	CHARGES AGAINST INCOME.			7.	8.
					4.	5.	6.		
		GROSS RECEIPTS.	Repayments, ——— Allowances, Refunds, and Drawbacks.	NET RECEIPTS within the Year, after deducting Repayments.	CHARGES of COLLECTION.	Allowances and Assignments under Treaties and Engagements.	TOTAL CHARGES against INCOME.	NET RECEIPTS into the several Government Treasuries.	Rate per Cent. for which the Gross Receipt was Collected.
		£.	£.	£.	£.	£.	£.	£.	
LAND, REVENUE, &c.:									
Land Revenue	- - - - -	613,600	2,600	611,000	128,669	-	-	-	
Tributes and Contributions from Naive States	- - - - -	100	-	190	-	-	-	-	
Forest	- - - - -	30,333	-	30,333	17,747	-	-	-	
Abkaree (Excise)	- - - - -	92,000	100	91,900	1,997	-	-	-	
Total Land Revenue, &c.	- - - - -	736,123	2,700	733,423	148,413	90,144	238,557	494,866	20·161
Customs	- - - - -	8,620	-	8,620	-	-	-	8,620	
Salt	- - - - -	152,170	-	152,170	38,789	-	38,789	113,381	25·490
Stamps	- - - - -	59,580	700	58,880	2,990	-	2,990	55,890	5·018
Law and Justice	- - - - -	21,730	100	21,630	-	-	-	21,630	
Police	- - - - -	13,000	-	13,000	-	-	-	13,000	
Education	- - - - -	90	-	90	-	-	-	90	
Miscellaneous	- - - - -	10,000	4,500	5,500	-	-	-	5,500	
Public Works—Miscellaneous	- - - - -	3,800	-	3,800	-	-	-	3,800	
TOTAL CENTRAL PROVINCES	- - - - -	1,005,113	8,000	997,113	190,192	90,144	280,336	716,777	

No. 4.—AN ESTIMATED ACCOUNT of the GROSS REVENUES of the Provinces of BRITISH BURMAH, for the Year 1866-67; with the CHARGES of COLLECTION and other PAYMENTS out of those REVENUES; the NET RECEIPTS into the several Government Treasuries, and the Rates per Cent. for which the Gross Receipts were Collected.

AREA 81,416 - - - - - POPULATION, 1,732,844.

REVENUES AND RECEIPTS.		1.	2.	3.	CHARGES AGAINST INCOME.		6.	7.
		GROSS RECEIPTS.	Repayments.	NET RECEIPTS within the Year, after deducting Repayments.	4. CHARGES of COLLECTION.	5. TOTAL CHARGES against INCOME.	NET RECEIPTS into the several Government Treasuries.	Rate per Cent. for which the Gross Receipt was Collected.
		£.	£.	£.	£.	£.	£.	
LAND REVENUE, &c. :								
Land Revenue	- - - - -	435,000	340	434,660	71,080			
Forest	- - - - -	70,562	-	70,562	30,594			
Abkaree (Excise)	- - - - -	72,100	110	71,990	7,330			
Total Land Revenue, &c.		577,662	450	577,212	109,004	109,004	468,208	18·87
Income Tax	- - - - -	180	-	180	-	-	180	
Customs	- - - - -	152,500	7,280	145,220	11,200	11,200	134,020	7·344
Salt	- - - - -	6,400	-	6,400	380	380	6,020	
Stamps	- - - - -	36,000	635	35,365	900	900	34,465	5·937
Law and Justice	- - - - -	60,000	-	60,000	-	-	60,000	2·5
Police	- - - - -	14,000	-	14,000	-	-	14,000	
Marine	- - - - -	4,400	-	4,400	-	-	4,400	
Education	- - - - -	380	-	380	-	-	380	
Interest	- - - - -	230	-	230	-	-	230	
Miscellaneous	- - - - -	2,200	635	1,565	-	-	1,565	
Public Works—Miscellaneous	- - - - -	2,250	-	2,250	-	-	2,250	
Total British BURMAH		856,202	9,000	847,202	121,484	121,484	725,718	
		£.						

No. 5.—AN ESTIMATED ACCOUNT of the GROSS REVENUES of the East and West BERAR DISTRICTS, for the Year 1866-67; with the CHARGES of COLLECTION and other PAYMENTS out of those REVENUES; the NET RECEIPTS into the several Government Treasuries, and the Rates per Cent. for which the Gross Receipts were Collected.

AREA 16,556 - - - - - POPULATION, 1,100,328.

REVENUES AND RECEIPTS.		1.	2.	3.	CHARGES AGAINST INCOME.			7.	8.
					4.	5.	6.		
		GROSS RECEIPTS.	Repayments, Allowances, Refunds, and Drawbacks.	NET RECEIPTS within the Year, after deducting Repayments.	CHARGES of COLLECTION.	Allowances and Assignments under Treaties and Engagements.	TOTAL CHARGES against INCOME.	NET RECEIPTS into the Government Treasuries.	Rate per Cent. for which the Gross Receipt was Collected.
		£.	£.	£.	£.	£.	£.	£.	
LAND REVENUE, &c.:-									
Land Revenue	- - - - -	390,000	100	389,900	49,422	-	-	-	
Forest	- - - - -	2,988	-	2,988	1,389	-	-	-	
Abkaree (Excise)	- - - - -	100,000	20	99,980	-	-	-	-	
Total Land Revenue, &c.		492,988	120	492,868	50,811	17,511	68,322	424,546	10-307
Salt	- - - - -	1,200	-	1,200	-	-	-	1,200	
Stamps	- - - - -	23,070	600	22,470	971	-	971	21,499	4-209
Law and Justice	- - - - -	3,400	-	3,400	-	-	-	3,400	
Police	- - - - -	3,800	-	3,800	-	-	-	3,800	
Education	- - - - -	1,100	-	1,100	-	-	-	1,100	
Interest	- - - - -	100	-	100	-	-	-	100	
Miscellaneous	- - - - -	2,420	50,480	{ Excess charge, 48,060 }	-	-	-	{ Excess charge, 48,060 }	
Public Works—Miscellaneous	- - - - -	2,490	-	2,490	-	-	-	2,490	
TOTAL EAST and WEST BERAR DISTRICTS		530,568	51,200	479,368	51,782	17,511	69,293	410,075	

No. 6.—AN ESTIMATED ACCOUNT of the GROSS REVENUES of the EASTERN SETTLEMENTS, for the Year 1866-67; with the CHARGES of COLLECTION and other PAYMENTS out of those REVENUES; the NET RECEIPTS into the several Government Treasuries, and the Rates per Cent. for which the Gross Receipts were Collected.

AREA 1,198 - - - - - POPULATION 273,741.

REVENUES AND RECEIPTS.		1. GROSS RECEIPTS.	CHARGES AGAINST INCOME.			5. NET RECEIPTS into the several Government Treasuries.	6. Rate per Cent. for which the Gross Receipt was Collected.
			2. CHARGES of COLLECTION.	3. Allowances and Assignments under Treaties and Engagements.	4. TOTAL CHARGES against INCOME.		
LAND REVENUE, &c.:		£.	£.	£.	£.	£.	
Land Revenue	- - - - -	10,000	3,700	-	-	-	
Forest	- - - - -	300	-	-	-	-	
Abkaree (Excise)	- - - - -	115,000	-	-	-	-	
Total Land Revenue, &c.		125,300	3,700	4,700	8,400	116,900	2·953
Customs	- - - - -	270	794	-	794	{ Excess } 524	294·075
Stamps	- - - - -	24,300	2,600	-	2,600	21,700	10·7
Law and Justice	- - - - -	11,780	-	-	-	11,780	
Marine	- - - - -	6,000	-	-	-	6,000	
Miscellaneous	- - - - -	10,290	-	-	-	10,290	
Public Works—Miscellaneous	- - - - -	660	-	-	-	660	
TOTAL EASTERN SETTLEMENTS		178,550	7,094	4,700	11,794	166,756	

No. 7.—AN ESTIMATED ACCOUNT of the Gross REVENUES of the PRESIDENCY of BENGAL, for the Year 1866-67, with the CHARGES of COLLECTION and other PAYMENTS out of those REVENUES; the NET RECEIPTS into the several Government Treasuries, and the Rates per Cent. for which the Gross Receipts were collected.

AREA, 261,383 - - - - - POPULATION, 40,829,511.

REVENUES AND RECEIPTS.		1.	2.	3.	CHARGES AGAINST INCOME.			7.	8.
					4.	5.	6.		
		GROSS RECEIPTS.	Repayments. — Allowances, Refunds, and Drawbacks.	NET RECEIPTS within the Year, after deducting Repayments.	CHARGES of COLLECTION.	Allowances and Assignments under Treaties and Engagements.	TOTAL CHARGES against INCOME.	NET RECEIPTS into the several Government Treasuries.	Rate per Cent. for which the Gross Receipt was Collected.
		£.	£.	£.	£.	£.	£.	£.	
LAND REVENUE, &c.:									
Land Revenue	-	3,590,000	18,833	3,571,167	293,090	-	-	-	-
Forest	-	209	-	209	2,629	-	-	-	-
Abkaree (Excise)	-	570,000	300	569,700	120,000	-	-	-	-
Total Land Revenue, &c.	-	4,160,209	19,133	4,141,076	415,719	180,000	595,719	3,545,357	9.993
Income Tax	-	3,200	2,000	1,200	237	-	237	963	7.406
Customs	-	825,000	14,506	810,494	51,045	-	51,045	759,449	6.187
Salt	-	2,660,500	36,685	2,623,815	18,100	-	18,100	2,605,715	.68
Opium	-	4,973,500	-	4,973,500	1,613,423	-	1,613,423	3,360,077	32.44
Stamps	-	560,000	13,989	566,011	21,482	-	21,482	544,529	1.825
Law and Justice	-	190,150	-	190,150	-	-	-	190,150	3.704
Police	-	41,760	-	41,760	-	-	-	41,760	
Marine	-	147,600	8,250	139,350	-	-	-	139,350	
Education	-	28,920	-	28,920	-	-	-	28,920	
Interest	-	200	-	200	-	-	-	200	
Miscellaneous	-	20,670	15,437	5,233	-	-	-	5,233	
Public Works—Miscellaneous	-	15,500	-	15,500	-	-	-	15,500	
TOTAL BENGAL PRESIDENCY	-	13,647,209	110,000	13,537,209	2,120,006	180,000	2,300,006	11,237,203	

No. 8.—AN ESTIMATED ACCOUNT of the GROSS REVENUES of the NORTH WESTERN PROVINCES, for the Year 1866-67; with the CHARGES of COLLECTION and other PAYMENTS out of those REVENUES; the NET RECEIPTS into the several Government Treasuries, and the Rates per Cent. for which the Gross Receipts were collected.

AREA, 84,370

POPULATION, 28,069,572.

REVENUES AND RECEIPTS.	1.	2.	3.	CHARGES AGAINST INCOME.				8.	9.
	GROSS RECEIPTS.	Repayments. — Allowances, Refunds, and Drawbacks.	NET RECEIPTS within the Year, after deducting Repayments.	4.	5.	6.	7.	NET RECEIPTS into the several Government Treasuries.	Rate per Cent. for which the Gross Receipt was Collected.
	£.	£.	£.	CHARGES of COLLECTION.	Allowances and Assignments under Treaties and Engagements.	Allowances to District and Village Officers, &c.	TOTAL CHARGES against INCOME.		
LAND REVENUE, &c.:									
Land Revenue	3,668,200	11,360	3,656,840	327,431					
Tributes and Contributions from Native States	152,900	-	152,900	—					
Forest	53,788	190	53,598	34,861					
Abkaree (Excise)	210,000	2,400	207,600	29,771					
Total Land Revenue, &c.	4,084,888	13,950	4,070,938	392,063	88,004	7,447	487,514	3,583,424	9.598
Income Tax	900	-	900	-	-	-	-	900	
Customs	56,300	530	55,770	-	-	-	-	55,770	
Salt	464,100	-	464,100	61,091	-	-	61,091	403,009	13.163
Stamps	255,700	5,500	250,200	14,276	-	-	14,276	235,924	5.583
Law and Justice	65,910	1,838	64,072	-	-	-	-	64,072	
Police	43,000	-	43,000	-	-	-	-	43,000	
Education	6,600	-	6,600	-	-	-	-	6,600	
Interest	160	-	160	-	-	-	-	160	
Miscellaneous	76,920	455	76,465	-	-	-	-	76,465	
Public Works—Miscellaneous	192,450	-	192,450	-	-	-	-	192,450	
TOTAL NORTH WESTERN PROVINCES	5,246,928	22,273	5,224,655	467,430	88,004	7,447	562,881	4,661,774	

No. 10.—AN ESTIMATED ACCOUNT of the GROSS REVENUES of the PRESIDENCY of MADRAS, for the Year 1866-67; with the CHARGES of COLLECTION and other PAYMENTS out of those REVENUES; the NET RECEIPTS into the several Government Treasuries, and the Rates per Cent. for which the Gross Receipts were Collected.

AREA, 126,400 - - - - - POPULATION, 22,886,187.									
REVENUES AND RECEIPTS.		1. GROSS RECEIPTS.	2. Repayments, — Allowances, Refunds, and Drawbacks.	3. NET RECEIPTS within the Year, after deducting Repayments.	CHARGES AGAINST INCOME.				9. Rate per Cent. for which the Gross Receipt was Collected.
					4. CHARGES of COLLECTION.	5. Allowances and Assignments under Treaties and Engagements.	6. Allowances to District and Village Officers, &c.	7. TOTAL CHARGES against INCOME.	
LAND REVENUE, &c.:		£.	£.	£.	£.	£.	£.	£.	
Land Revenue	-	3,750,000	8,000	3,742,000	364,642	-	-	-	
Tributes and Contributions from Native States	-	315,110	-	315,110	-	-	-	-	
Forest	-	36,667	-	36,667	27,424	-	-	-	
Abkaree (Excise)	-	466,500	-	466,500	18,778	-	-	-	
Total Land Revenue, &c.	-	4,568,277	8,000	4,560,277	410,844	275,000	33,000	718,844	8-993
Income Tax	-	1,000	-	1,000	-	-	-	-	
Customs	-	205,000	3,518	201,482	15,320	-	-	15,320	7-473
Salt	-	1,134,700	-	1,134,700	162,790	-	-	162,790	971,910 280,860 Excess Charge, 9,343 66,540 32,830 3,000 4,120 11,000 38,466 128,340 12,250
Stamps	-	297,200	3,660	293,540	12,680	-	-	12,680	
Mint	-	10,550	-	10,550	19,893	-	-	19,893	
Law and Justice	-	66,540	-	66,540	-	-	-	-	
Police	-	32,830	-	32,830	-	-	-	-	
Marine	-	3,000	-	3,000	-	-	-	-	
Education	-	4,120	-	4,120	-	-	-	-	
Interest	-	11,000	-	11,000	-	-	-	-	
Miscellaneous	-	40,300	-	40,300	-	-	-	-	
Army—Miscellaneous	-	128,340	1,834	126,506	-	-	-	-	
Public Works—Miscellaneous	-	12,250	-	12,250	-	-	-	-	
TOTAL MADRAS PRESIDENCY	-	6,514,607	17,012	6,497,595	621,527	275,000	33,000	929,527	5,568,068

No. 11.—AN ESTIMATED ACCOUNT of the GROSS REVENUES of the PRESIDENCY OF BOMBAY, including Sind, for the Year 1866-67; with the CHARGES of COLLECTION and other PAYMENTS out of those REVENUES; the NET RECEIPTS into the several Government Treasuries, and the Rates per Cent. for which the Gross Receipts were collected.

AREA, 139,893 - - - - - POPULATION, 12,179,180.

REVENUES AND RECEIPTS.	1.	2.	3.	CHARGES AGAINST INCOME.				8.	9.
	GROSS RECEIPTS.	Repayments. — Allowances, Refunds, and Drawbacks.	NET RECEIPTS within the Year, after deducting Repayments.	4. CHARGES of COLLECTION.	5. Allowances and Assignments under Treaties and Engagements.	6. Allowances to District and Village Officers, &c.	7. TOTAL CHARGES against INCOME.	NET RECEIPTS into the several Government Treasuries.	Rate per Cent. for which the Gross Receipt was Collected.
	£.	£.	£.	£.	£.	£.	£.	£.	
LAND REVENUE, &c.:									
Land Revenue - - - - -	3,212,500	12,726	3,199,774	332,824					
Tributes and Contributions from Native States	83,640	-	83,640	—					
Forest - - - - -	112,626	450	112,176	77,445					
Abkaree (Excise) - - - - -	355,000	2,244	352,756	22,662					
Total Land Revenue, &c. - - -	3,763,766	15,420	3,748,346	432,931	545,378	339,127	1,317,436	2,430,910	11.502
Income Tax - - - - -	12,000	700	11,300	1,000	-	-	1,000	10,300	8.333
Customs - - - - -	697,050	64,125	632,925	80,080	-	-	80,080	552,845	11.488
Salt - - - - -	450,000	36	449,964	28,426	-	-	28,426	421,538	6.316
Opium - - - - -	1,900,000	-	1,900,000	2,590	-	-	2,590	1,897,410	.136
Stamps - - - - -	411,400	10,000	401,400	16,830	-	-	16,830	384,570	4.00
Mint - - - - -	82,850	-	82,850	59,724	-	-	59,724	23,126	72.087
Law and Justice - - - - -	131,050	-	131,050	-	-	-	-	131,050	
Police - - - - -	-	-	8,660	-	-	-	-	8,660	
Marine - - - - -	71,040	-	71,040	-	-	-	-	71,040	
Education - - - - -	8,760	-	8,760	-	-	-	-	8,760	
Interest - - - - -	20,600	-	20,600	-	-	-	-	20,600	
Miscellaneous - - - - -	46,100	3,000	43,100	-	-	-	-	43,100	
Army—Miscellaneous - - - - -	118,060	-	118,060	-	-	-	-	118,060	
Public Works—Miscellaneous - - -	79,000	-	79,000	-	-	-	-	79,000	
TOTAL BOMBAY PRESIDENCY, } including SIND - - - - -	7,800,336	93,281	7,707,055	621,581	545,378	339,127	1,506,086	6,200,969	

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No. 13. —AN ACCOUNT of the Aggregate of BALANCES of PUBLIC MONEY in the Treasuries of INDIA, on the 30th April 1866; the AMOUNT of DEBT estimated to be incurred and discharged during the Year 1866-67; including the AMOUNT of ADVANCES and REPAYMENTS on various Accounts, the SUPPLIES to and from LONDON, and between the several PRESIDENCIES and PROVINCES, and the Total Estimated BALANCE in the Indian Treasuries, on the 31st March 1867.

RECEIPTS.

GOVERNMENT OF INDIA.										North Western Provinces.	Punjab.	Madras.	Bombay, including Sind.	TOTAL.
General and Political.	Oude.	Central Provinces.	British Burmah.	East and West Berar.	Eastern Settlements.	Bengal.								
£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
Aggregate of Cash Balances in the Indian Treasuries on the 30th April 1866	2,983,332	314,124	346,706	324,404	564,339	30,006	1,302,174	1,553,875	855,900	2,594,227	3,802,538	13,771,625		
DEBT INCURRED:														
Loans	805,000	-	-	-	-	-	-	1,100	-	-	-	806,100	-	-
Treasury Notes	180,000	-	-	-	-	-	-	-	-	-	-	225,100	-	-
Service Funds	670,580	3,550	3,300	5,700	916	7,728	-	9,100	8,400	45,100	277,600	1,402,574	-	-
Deposits	281,000	196,000	92,125	40,000	6,641	10,312	1,645,000	592,320	403,500	1,106,000	661,590	5,033,088	-	-
Local Funds	74,280	101,700	128,517	150,000	116,210	-	446,166	698,241	288,680	183,959	517,134	2,704,887	-	-
Miscellaneous	85,000	1,027	-	-	-	-	24,200	1,800	90	129,500	363,500	605,117	-	-
Advances Recoverable	87,500	24,000	4,584	60,000	9,450	440	107,200	52,000	19,800	255,200	26,200	646,374	-	-
Prize Money	400	-	-	-	-	-	-	-	-	-	-	400	-	-
Local Remittances	-	148,361	29,972	47,750	-	100	114,552	141,755	29,754	-	-	534,623	-	-
Bombay Land Sale Fund	-	-	-	-	-	-	-	-	-	-	55,000	55,000	-	-
TOTAL DEBT INCURRED	2,183,760	474,638	258,498	303,450	133,217	18,580	2,337,718	1,496,316	750,224	2,157,838	1,901,024	12,015,266	-	-
SUPPLIES FROM LONDON:														
Bills on the Secretary of State for India for Interest of Indian Debt	900	-	-	-	-	-	-	-	-	-	-	1,100	-	-
Other Bills on the Secretary of State for India	26,000	-	-	-	-	-	-	-	-	-	-	60,450	-	-
Dividends on Stock of the Transfer Loans paid in England	18,000	-	-	-	-	-	-	-	-	-	-	18,000	-	-
Advances made in England—repaid	320,000	-	-	-	-	-	-	600	300	219,800	140,000	680,700	-	-
Miscellaneous, including Credits to Her Majesty's Government	189,190	-	-	5,000	-	-	55,000	-	-	29,200	31,550	309,940	-	-
Invoice Value of Stores	374,488	-	-	-	-	-	113,744	-	-	169,107	202,036	859,375	-	-
Net Traffic Receipts on account of Indian Railways	1,041,608	-	-	-	-	-	-	-	37,400	239,703	795,667	2,114,383	-	-
Interest on Railway Traffic Receipts	7,947	-	-	-	-	-	-	-	779	3,667	7,310	19,703	-	-
Receipts on account of the Irrigation and Canal Company	-	-	-	-	-	-	-	-	-	7,800	-	7,800	-	-
TOTAL SUPPLIES FROM LONDON	1,978,133	-	-	5,000	-	-	168,744	600	38,479	673,932	1,206,563	4,071,451	-	-
ACCOUNTS CURRENT between the PRESIDENCIES:														
Bills drawn, Remittances of Treasure and Advances and Disbursements (Excess Credits to)	13,362,662	-	-	-	-	-	-	-	-	-	-	31,673	-	13,394,325
Excess of Income over Expenditure (Account No. 12)	-	461,550	147,235	133,770	222,711	61,126	8,485,791	2,716,966	1,253,990	241,061	674,123	14,398,323	-	-
TOTAL	19,607,887	1,250,312	752,439	766,624	920,267	109,712	12,294,427	5,767,757	2,898,593	5,667,058	7,615,921	57,650,997	-	-

	Government of India.						Bengal.	North Western Provinces.	Punjab.	Madras.	Bombay, including Sind.	TOTAL.
	General and Political.	Oude.	Central Provinces.	British Burmah.	East and West Berar.	Eastern Settlements.						
	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
DEBT DISCHARGED:												
Loans -	205,000	-	-	-	-	-	-	300	-	-	-	205,300
Treasury Notes -	185,000	-	-	-	-	-	-	-	-	200	-	187,100
Service Funds -	580,870	155	92	100	12	80	-	500	450	216,450	-	1,189,975
Deposits -	265,000	193,200	91,208	43,000	30,910	40,000	1,584,274	628,575	436,000	572,500	-	5,141,487
Local Funds -	251,516	107,082	122,558	88,250	124,801	-	468,217	620,600	266,000	181,775	-	2,927,199
Miscellaneous -	30,000	2,260	-	-	-	-	16,340	8,750	-	129,500	-	549,350
Advances recoverable -	117,000	15,480	5,500	60,000	10,120	619	301,667	48,000	19,000	282,170	-	894,556
Prize Money -	12,050	-	-	-	-	-	-	-	-	2,320	-	15,000
Local Remittances -	56,940	-	-	-	2,440	-	-	-	-	79,237	-	138,617
Bombay Land Sale Fund -	-	-	-	-	-	-	-	-	-	-	379,246	379,246
TOTAL DEBT DISCHARGED - £.	1,803,376	318,177	219,358	191,350	168,283	40,699	2,370,598	1,306,725	721,450	2,094,061	1,943,753	11,177,830
SUPPLIES TO LONDON:												
Bills drawn by the Secretary of State for India, discharged -	3,650,000	-	-	-	-	-	-	-	-	200,000	-	5,400,000
Remittance to the Secretary of State for India, in Bar Silver and Sovereigns -	725,900	-	-	-	-	-	-	-	-	199,980	-	925,880
Payments to the French Bank and other Mercantile Firms at Calcutta -	261,000	-	-	-	-	-	-	-	-	-	-	251,000
Bills on Her Majesty's Government, transmitted -	50,000	-	-	-	-	-	-	-	-	-	-	50,000
Supplies to Her Majesty's Government, repayable in England -	449,400	-	-	-	-	-	-	-	-	-	-	455,200
Miscellaneous -	13,700	-	-	250	-	-	220	-	-	12,400	-	36,570
Payments on account of the Irrigation and Canal Company -	-	-	-	-	-	-	-	-	-	37,000	-	37,000
Payments on account of Indian Railways, under Deeds of Contract with the respective Railway Companies -	1,410,950	-	-	-	-	-	-	-	-	-	-	-
Surplus Railway Traffic earnings made over to the Railway Companies -	54,037	-	-	-	-	-	-	-	836,880	430,833	-	4,447,913
TOTAL SUPPLIES TO LONDON - £.	6,604,987	-	-	250	-	-	220	-	-	886,880	37,939	91,976
ACCOUNTS CURRENT BETWEEN THE PRESIDENCIES:												
Bills paid, Remittances of Treasure and Advances and Disbursements (Excess Debits to) -	-	618,809	131,906	389,740	270,699	45,604	8,442,531	3,002,551	350,860	145,465	-	13,393,165
Excess of Expenditure over Income (Account No. 12) -	10,247,330	-	-	-	-	-	-	-	-	-	-	10,247,330
Cash Balance in the Indian Treasuries on the 31st March 1867	952,194	313,326	401,175	185,284	481,255	23,409	1,481,078	1,458,481	989,403	2,541,519	2,304,979	11,132,133
£.	19,607,887	1,250,312	752,439	786,624	920,267	109,712	12,204,427	5,767,757	2,898,593	5,667,058	7,615,921	57,650,997

REVENUES AND RECEIPTS:

[illegible]

No. 13.—GENERAL ABSTRACT ACCOUNT of the CASH TRANSACTIONS of INDIA, for the Year 1865-66, and as Estimated for the Year 1866-67.

	1865-66.		Estimate, 1866-67. Eleven Months.	1865-66.		Estimate, 1866-67. Eleven Months.
	£.	£.	£.	£.	£.	£.
Cash Balance in the several Indian Treasuries at the commencement of the Year - - - - -	-	-	13,771,625	12,638,897	-	-
RECEIPTS:						
Local Indian Surplus - - - - -	-	-	4,150,993	7,814,296	-	-
Debt incurred - - - - -	-	-	12,015,263	17,165,699	-	-
Supplies from London, including Credits to Her Majesty's Government	-	-	4,071,451	4,871,285	-	-
	£.	£.	34,009,332	42,490,177	£.	£.
PAYMENTS:						
Debt discharged - - - - -	-	-	-	-	-	-
Supplies to London, including Debits to Her Majesty's Government	-	-	-	-	-	-
Balance of Supplies between the different Presidencies (on Unadjusted Accounts) - - - - -	-	-	-	-	-	-
Cash Balance in the several Indian Treasuries at the close of the Year	-	-	-	-	-	-
	£.	£.	34,009,332	42,490,177	£.	£.

No. 16.—A STATEMENT of the CHARGES defrayed in ENGLAND, on Account of the INDIAN TERRITORY, for the Year 1865-66, and as Estimated for the Year 1866-67.

	1865-66.		Estimate, 1866-67. Eleven Months.	1865-66.		Estimate, 1866-67. Eleven Months.
	£.	£.	£.	£.	£.	£.
D E B T:						
Dividends to Proprietors of East India Stock - - - - -	-	-	629,970	629,970	-	-
Interest on Loans contracted in England - - - - -	-	-	1,306,293	1,249,765	-	-
CIVIL CHARGES:						
Home Establishments, &c. - - - - -	-	-	187,768	179,565	-	-
Amount paid under Postal Arrangement with the Lords of Her Majesty's Treasury - - - - -	-	-	42,174	54,778	-	-
Subsidy to the Euphrates and Tigris Steam Navigation Company, on account of the Mail Service between Bussorah and Bagdad - - -	-	-	4,200	2,400	-	-
On account of Red Sea and India Telegraph - - - - -	-	-	18,027	18,027	-	-
" Malta and Alexandria Telegraph - - - - -	-	-	627	627	-	-
Mission to the Court of Persia - - - - -	-	-	9,000	12,000	-	-
Her Majesty's Establishments in China - - - - -	-	-	19,809	18,736	-	-
Pensions and Retired Allowances - - - - -	-	-	213,049	237,838	-	-
Furlough and Absentee Allowances - - - - -	-	-	79,305	77,587	-	-
Miscellaneous, including New India Office - - - - -	-	-	180,046	149,766	-	-
MILITARY CHARGES:						
EFFECTIVE:						
Cost of Education of Officers and Cadets at Chatham and Sandhurst -	-	-	9,219	9,791	-	-
Cost of Education and Pay of Assistant Surgeons at Netley, and Allowances and Passage to India on Appointment - - - - -	-	-	9,891	9,157	-	-
Passage of Officers and Troops - - - - -	-	-	272,901	280,416	-	-
The Imperial Government for Troops serving in India - - - - -	-	-	675,000	645,000	-	-
	-	-	3,656,861	3,575,423	-	-
Carried forward - - - - -	-	-	-	-	-	-
MILITARY CHARGES—EFFECTIVE—continued.						
Furlough Allowances - - - - -	-	-	-	3,575,423	-	-
On account of Contracts for Construction of Indian Troop Transports -	-	-	-	199,032	-	-
India Overland Troop Transport Service - - - - -	-	-	-	177,021	-	-
Miscellaneous - - - - -	-	-	-	-	-	-
	-	-	-	30	-	-
NON-EFFECTIVE:						
The Imperial Government, on account of Retired Pay, &c. of Troops serving or having served in India (Act 25 & 26 Vict. c. 27) - - -	-	-	-	222,500	-	-
Retired Pay, including Colonels' Allowances - - - - -	-	-	-	761,021	-	-
Pensions—Lord Clive's Fund - - - - -	-	-	-	125,494	-	-
MARINE CHARGES:						
Furlough and Absentee Allowances - - - - -	-	-	-	1,856	-	-
Pensions and Retired Allowances - - - - -	-	-	-	56,743	-	-
Commutation of Pensions of Officers of the late Indian Navy - -	-	-	-	308	-	-
Passage from India of Officers of the late Indian Navy on Abolition of that Service - - - - -	-	-	-	125	-	-
	-	-	-	-	-	-
Receipts in Reduction - - - - -	-	-	-	5,119,553	-	-
	-	-	-	138,368	-	-
NET EXPENDITURE IN ENGLAND - - - - -	-	-	-	4,981,185	-	-
	-	-	-	-	-	-
Guaranteed Interest on the Capital of Railway and other Companies in India and in England, deducting Net Traffic Receipts - - -	-	-	-	67,043	-	-

No. 17.—GENERAL ABSTRACT VIEW of the TOTAL REVENUES and CHARGES of the TREASURIES and DEPARTMENTS under the immediate Control of the Government of INDIA, for the Year 1865-66, and as Estimated for the Year 1866-67.

REVENUES AND RECEIPTS:		1865-66.	Estimate, 1866-67. Eleven Months.	EXPENDITURE:		1865-66.	Estimate, 1866-67. Eleven Months.
		£.	£.			£.	£.
Land Revenue	-	20,200	15,900	Interest on Funded and Unfunded Debt	-	2,763,532	2,217,170
Tributes and Contributions from Native States	-	248,647	71,930	Interest on Service Funds and other Accounts	-	301,871	370,619
Forest	-	13,212	6,737	Allowances, Refunds, and Drawbacks	-	43,971	15,000
Abkaree (Excise)	-	16,484	17,550	Land Revenue	-	9,757	9,900
Income Tax	-	37,269	2,500	Forest	-	2,998	4,893
Customs	-	-	400	Abkaree (Excise)	-	2,830	554
Stamps	-	5,479	4,700	Stamps	-	212	227
Mint	-	215,161	146,100	Mint	-	72,660	55,725
Post Office	-	406,466	355,580	Post Office	-	433,304	431,772
Telegraph	-	190,463	288,600	Telegraph	-	269,218	487,852
Law and Justice	-	42,517	25,980	Administration and Public Departments	-	303,169	289,193
Police	-	1,888	2,500	Law and Justice	-	134,815	147,040
Education	-	4,114	4,830	Police	-	11,185	11,805
Interest	-	193,628	213,180	Education, Science, and Art	-	120,812	142,960
Miscellaneous	-	2,072,573	136,730	Ecdesiastical	-	9,759	8,800
Army—Miscellaneous	-	424,632	433,070	Medical Services	-	276	160
Public Works—Miscellaneous	-	779	1,000	Stationery and Printing	-	33,268	25,260
				Political Agencies and other Foreign Services	-	96,308	86,684
				Allowances and Assignments under Treaties and Engagements	-	166,683	157,697
				Miscellaneous	-	1,052,829	78,400
				Superannuation, Retired and Compassionate Allowances	-	141,591	198,142
				Army	-	7,839,244	6,745,040
				Public Works {	-	569,369	95,000
				Public Works {	-	-	32,836
				Loss by Exchange on Railway Transactions	-	-	60,100
				Income Tax Grant	-	110,000	-
						14,549,661	-
						4,071	-
				Deduct—Gain by Exchange on Railway Transactions	-	-	-
				Stores from England, including Freight:—	-	-	-
				Mint	-	14,545,590	2,172
				Post Office	-	-	1,609
				Telegraph	-	-	56,741
				Miscellaneous	-	-	3,128
				Army	-	-	237,138
				Administration and Public Departments	-	310,600	-
						525	-
Deficit	-	10,968,253	10,247,330			-	-
						14,861,765	11,974,617
						£.	£.

No. 18.—GENERAL ABSTRACT VIEW of the TOTAL REVENUES and CHARGES of the OUDE TERRITORY for the Year 1865--66, and as Estimated for the Year 1866-67.

REVENUES AND RECEIPTS:						EXPENDITURE:					
1865-66.			Estimate, 1866-67. Eleven Months.			1865-66.			Estimate, 1866-67. Eleven Months.		
£.	-	-	£.	-	-	£.	-	-	£.	-	-
Land Revenue -	-	-	1,133,164	-	-	Interest on Service Funds and other Accounts	-	-	987	-	1,000
Forest -	-	-	11,997	-	-	Allowances, Refunds, and Drawbacks -	-	-	2,192	-	2,600
Abkaree (Excise) -	-	-	74,221	-	-	Land Revenue -	-	-	125,701	-	139,220
Income Tax -	-	-	11,224	-	-	Forest -	-	-	5,877	-	9,264
Salt -	-	-	2,731	-	-	Abkaree (Excise) -	-	-	8,523	-	6,315
Stamps -	-	-	56,256	-	-	Income Tax -	-	-	81	-	-
Law and Justice -	-	-	11,923	-	-	Salt -	-	-	6,437	-	5,534
Police -	-	-	6,909	-	-	Stamps -	-	-	3,239	-	2,839
Education -	-	-	522	-	-	Allowances to District and Village Officers -	-	-	293	-	513
Interest -	-	-	150	-	-	Administration and Public Departments -	-	-	38,793	-	35,735
Miscellaneous -	-	-	2,856	-	-	Law and Justice -	-	-	65,601	-	72,192
Public Works—Miscellaneous -	-	-	1,144	-	-	Police -	-	-	109,517	-	109,845
	-	-		-	-	Education, Science, and Art -	-	-	14,290	-	17,072
	-	-		-	-	Ecclesiastical -	-	-	3,763	-	3,603
	-	-		-	-	Medical Services -	-	-	8,963	-	9,330
	-	-		-	-	Stationery and Printing -	-	-	2,580	-	2,220
	-	-		-	-	Allowances and Assignments under Treaties and Engagements -	-	-	80,982	-	101,848
	-	-		-	-	Miscellaneous -	-	-	3,666	-	5,110
	-	-		-	-	Superannuation, Retired, and Compassionate Allowances -	-	-	4,134	-	4,890
	-	-		-	-	Public Works :					
	-	-		-	-	Public Works	-	-	120,658	-	210,000
	-	-		-	-	Supervision and Cost of Land for Railways -	-	-	1,639	-	-
	-	-		-	-	Surplus -	-	-	607,916	-	739,130
	-	-		-	-		-	-	705,181	-	461,550
£.			1,313,097			£.			1,313,097		1,200,680

No. 20.—GENERAL ABSTRACT VIEW of the TOTAL REVENUES and CHARGES of BRITISH BURMAH, for the Year 1865-66, and as Estimated for the Year 1866-67.

[illegible]

and as Estimated for the Year 1866-67.

REVENUES AND RECEIPTS:			EXPENDITURE:		
	1865-66.	Estimate, 1866-67, Eleven Months.		1865-66.	Estimate, 1866-67, Eleven Months.
	£.	£.		£.	£.
Land Revenue	-	-	Interest on Service Funds and other Accounts	-	-
Tributes and Contributions from Native States	-	-	Allowances, Refunds, and Drawbacks	-	-
Forest	-	-	Land Revenue	308,966	327,431
Abkaree (Excise)	-	-	Forest	27,222	34,861
Income Tax	-	-	Abkaree (Excise)	32,388	29,777
Customs	-	-	Income Tax	884	-
Salt	-	-	Salt	62,021	61,091
Stamps	-	-	Stamps	16,246	14,276
Law and Justice	-	-	Allowances to District and Village Officers, &c.	4,567	7,447
Police	-	-	Administration and Public Departments	108,758	102,127
Education	-	-	Law and Justice	341,725	367,694
Miscellaneous	-	-	Police	363,768	335,000
			Education, Science, and Art	87,875	88,000
			Medical Services	16,784	16,175
			Stationery and Printing	35,782	38,757
			Political Agencies and other Foreign Services	24,590	22,077
			Allowances and Assignments under Treaties and Engagements	3,815	31,469
			Miscellaneous	89,953	88,004
			Superannuation, Retired and Compassionate Allowances	29,795	29,565
			Public Works:	30,700	31,439
			Public Works	494,508	875,000
			Supervision and Cost of Land for Railways	4,978	4,205
			Surplus	2,126,679	2,529,962
				3,569,019	2,716,966
				5,695,698	5,246,928

No. 25.—GENERAL ABSTRACT VIEW of the TOTAL REVENUES and CHARGES of the PUNJAB TERRITORIES for the Year 1865-66, and as Estimated for the Year 1866-67.

[illegible]

No. 27.—GENERAL ABSTRACT VIEW of the TOTAL REVENUES and CHARGES of the PRESIDENCY of BOMBAY, including SIND, for the Year 1865-66, and as Estimated for the Year 1866-67.

REVENUES AND RECEIPTS:		1865-66.	Estimate, 1866-67, Eleven Months.
Land Revenue	-	£. 3,556,063	£. 3,212,500
Tributes and Contributions from Native States	-	87,866	83,640
Forest	-	100,761	112,826
Abkaree (Excise)	-	385,012	355,000
Income Tax	-	280,193	12,000
Customs	-	761,211	697,050
Salt	-	542,901	450,000
Opium	-	2,128,025	1,900,000
Stamps	-	489,285	411,400
Mint	-	210,830	82,850
Law and Justice	-	114,888	131,050
Police	-	10,120	8,660
Marine	-	88,878	71,040
Education	-	9,831	8,760
Interest	-	10,691	20,600
Miscellaneous	-	46,486	46,100
Miscellaneous	{ Army	158,871	118,060
	{ Public Works	548,978	79,000
EXPENDITURE:			
Interest on Service Funds and on other Accounts	-	-	-
Allowances, Refunds, and Drawbacks	-	-	-
Land Revenue	-	-	-
Forest	-	-	-
Abkaree (Excise)	-	-	-
Income Tax	-	-	-
Customs	-	-	-
Salt	-	-	-
Opium	-	-	-
Stamps	-	-	-
Mint	-	-	-
Allowances to District and Village Officers, &c.	-	-	-
Administration and Public Departments	-	-	-
Law and Justice	-	-	-
Police	-	-	-
Marine	-	-	-
Education, Science, and Art	-	-	-
Ecclesiastical	-	-	-
Medical Services	-	-	-
Stationery and Printing	-	-	-
Political Agencies and other Foreign Services	-	-	-
Allowances and Assignments under Treaties and Engagements	-	-	-
Miscellaneous	-	-	-
Superannuation, Retired and Compassionate Allowances	-	-	-
Army	-	-	-
Public Works	{ Public Works	-	-
	{ Supervision and Cost of Land for Railways	-	-
	{ Loss by Exchange on Railway Transactions	-	-
Stores from England, including Freight:	-	-	-
Stamps	-	-	-
Mint	-	-	-
Marine	-	-	-
Stationery	-	-	-
Miscellaneous	-	-	-
Army	-	-	-
Administration and Public Departments	-	-	-
		£. 7,918,912	£. 7,126,213
		1,610,468	674,123
		£. 9,529,380	£. 7,800,336
		Surplus	-

India Office,
22 April 1867.

William G. Goodliffe,
Accountant General.

EAST INDIA
(FINANCE AND REVENUE ACCOUNTS).

FINANCE AND REVENUE
ACCOUNTS
OF
THE GOVERNMENT OF INDIA,
FOR THE
YEAR 1865/66;
AND
ESTIMATE OF REVENUE, EXPENDITURE,
AND CASH BALANCES
FOR 1866/67;
WITH A COMPARISON OF THE TWO YEARS.

(Presented to Parliament pursuant to Act 21 & 22 Vict. c. 106.)

Ordered, by The House of Commons, to be Printed,
1 May 1867.

[*Price 1 s. 2 d.*]

251.

Under 12 oz.

HOME ACCOUNTS

OF THE

GOVERNMENT OF INDIA.

(Presented pursuant to the Act 21 & 22 Vict. c. 106.)

Ordered, by The House of Commons, to be Printed, 1 May 1867.

LIST.

- No. 1.—An Account of the Receipts and Disbursements of the Home Treasury of the Government of India, from 1st May 1865 to 30th April 1866 - - - - p. 2
- No. 2.—An Estimated Account of the Receipts and Disbursements of the Home Treasury of the Government of India, from 1st May 1866 to 31st March 1867 - - - - p. 8
- No. 3.—An Account of the Debts and Credits in England of the Government of India, on 1st April 1867 - - - - - p. 14
- No. 4.—A List of the Establishment of the Secretary of State in Council of India, and the Salaries and Allowances payable in respect thereof, on 1st April 1867 - - p. 15
- No. 5.—An Account of New or Increased Salaries, Establishments, or Pensions, granted or created in Great Britain, between 1st May 1866 and 31st March 1867 - - - - p. 15
- No. 6.—Allowances, Compensations, and Superannuations granted between 1st May 1866 and 31st March 1867, under Act 21 & 22 Vict. c. 106 - - - - p. 16
- No. 7.—Compensations granted to the Families of Deceased Officers of the East India Company's late Maritime Service, in the form of Annuities, under Act 3 & 4 Will. 4, c. 85 - p. 17

India Office,
22 April 1867.

No. 1. - - - -

AN ACCOUNT of the RECEIPTS and DISBURSEMENTS of the HOME

R E C E I P T S.										£.	s.	d.
Balance 1st May 1865 - - - -										3,914,891	10	9
India 5 per Cent. Stock, sale proceeds - - - -	-	-	-	-	-	-	-	-	-	882,800	-	-
Amount received for Bills of Exchange on India - - - -	-	-	-	-	-	-	-	-	-	6,998,898	8	5
Bullion received from India (Gold), sale proceeds - - - -	-	-	-	-	-	-	-	-	-	159,857	14	2
MISCELLANEOUS HOME RECEIPTS :												
In reduction of Civil Charges :										£.	s.	d.
Interest realized from investment of cash balance, &c. -	79,143	12	11							£.	s.	d.
Fees, subscriptions to Widows' Funds, &c. - -	11,913	10	10									
On account of maintenance of lunatics - - -	283	5	7									
The War Office, for first instalment of purchase money of Warley Barracks - - - -	15,000	-	-									
Proceeds of sales of coals at the Indian coal depôt at Suez - - - -	3,621	10	-									
On account of stamps, fines, &c. - - - -	1,825	7	2									
										111,787	6	6
In reduction of Military Charges :												
Amount repaid by the War Office in adjustment of accounts for the years 1861-62 to 1863-64, in connexion with Her Majesty's troops serving in India - - - -	24,618	10	-									
Passage of officers and troops - - - -	1,961	10	7									
										26,580	-	7
Amount received from Her Majesty's Treasury and other Public Departments :												
In repayment of advances in India on account of the emigration of coolies -	23,727	5	4									
„ expenses of Madras troops employed at Labuan - - -	9,085	14	1									
„ pensions paid in India to out-pensioners of Chelsea Hospital -	14,685	10	7									
„ supplies to H.M. ships on the East India Station - -	59,066	6	11									
										106,564	16	11
Miscellaneous receipts on account of India - - - -										78,053	4	6
Subscriptions on account of the Civil, Military, and other Provident Funds of India - - -										61,774	6	2
Carried forward - - - £.										12,341,207	8	-

No. 1.

TREASURY of the GOVERNMENT of *India*, from 1st May 1865 to 30th April 1866.

DISBURSEMENTS.				£.	s.	d.	£.	s.	d.
East India Bonds paid off - - - - -				-	-	-	28,700	-	-
CHARGES ON THE REVENUES OF INDIA:									
DEBT:		£.	s.	d.	£.	s.	d.		
Dividends to Proprietors of East India Stock		-	-	-	629,970	1	6		
Interest on Loans contracted in England:									
East India Bonds - - - - -		153,900	9	7					
India 4 per Cent. Debentures - - -		194,720	-	-					
India 5 per Cent. Stock - - - - -		803,505	-	-					
India 4 per Cent. Stock - - - - -		97,640	-	-					
					1,249,765	9	7		
CIVIL CHARGES:								1,879,735	11 1
Home Establishment:									
Salaries of the Secretary of State, Under Secretaries of State, Members of the Council of India, Secretaries and Officers of the Secretary of State for India in Council, Assistant Military Secretary to his Royal Highness the Field Marshal Commanding in Chief and Clerk, Assistant to Director of Transports at the Admiralty, and Members of the London Medical Board - - -		119,600	6	7					
Auditor and Assistants under Act 21 & 22 Vict. c. 106, s. 52 - - - - -		2,214	8	-					
Stores Department:									
Wages of labourers, cartage, light-erage, dock dues, &c. - - - - -		15,850	2	3					
Law charges - - - - -		3,017	3	7					
Bank of England and Bank of Ireland for management of debt - - - - -		10,390	7	11					
Postage of despatches to and from India - - - - -		3,274	19	7					
Ganges Canal: -Cost of lithographing, &c. plans to accompany report - - - - -		484	5	-					
Office Contingencies:									
Rent, rates, taxes; coals, gas, candles, furniture and repairs, books, printing, stationery, stamps, bookbinding, advertisements, postage, and various petty charges - - - - -		24,732	18	8					
					179,564	11	7		
Amount paid under postal arrangement with the Lords of Her Majesty's Treasury - - - - -					54,777	14	6		
Subsidy to the Euphrates and Tigris Steam Navigation Company on account of the mail service between Bussorah and Bagdad - - - - -					2,400	-	-		
On account of Red Sea and India Telegraph - - - - -					18,027	-	-		
" Malta and Alexandria Telegraph - - - - -					627	7	11		
" Mission to the Court of Persia - - - - -					12,000	-	-		
" Her Majesty's Establishments in China - - - - -					18,735	12	9		
Pensions and retired allowances - - - - -					221,008	19	4		
Compensation pensions to officers and petty officers, &c. of the Maritime Service of the East India Company - - - - -					16,829	2	7		
Furlough and absentee allowances - - - - -					77,586	12	6		
New India Office - - - - -					68,415	-	-		
Purchase of land for improving the site of the India Office and the approaches thereto - - - - -					22,822	13	10		
Carried forward - - - £.		692,794	15	-				1,879,735	11 1
								28,700	- -

No. 1.—AN ACCOUNT of the Receipts and Disbursements of the Home

				£.	s.	d.
Brought forward - - -				12,841,207	8	-
RECEIPTS—continued.						
Indian Railway and other Guaranteed Companies:						
Instalments of Capital, &c. under their respective Deeds of Contract:				£.	s.	d.
Bombay, Baroda, and Central India Railway Company - - -				379,878	10	-
Calcutta and South Eastern Railway Company - - -				60,170	-	-
Eastern Bengal Railway Company - - -				176,450	-	-
East Indian Railway Company - - -				899,542	-	-
Great Indian Peninsula Railway Company - - -				2,024,936	-	-
Great Southern of India Railway Company - - -				119,500	-	-
Madras Railway Company - - -				265,190	-	-
Scinde Railway Company (including Indus Flotilla and Punjaub and Delhi Railways) - - -				155,085	-	-
Madras Irrigation and Canal Company - - -				98,183	13	9
				4,178,935	3	9
Carried forward - - - £.				16,520,142	11	9

Treasury of the Government of India, from 1st May 1865 to 30th April 1866—continued.

Brought forward - - -

£. s. d.
692,794 15 -£. s. d.
1,879,735 11 1£. s. d.
28,700 - -

DISBURSEMENTS—continued.

CHARGES ON THE REVENUES OF INDIA—continued.

CIVIL CHARGES—continued.

East India Company, for expenses in respect of their capital stock and dividends - - -	2,839 18 -
Poplar Fund, pensions and expenses of hospital - - -	3,750 12 2
Annual donation to Bengal Civil Fund - - -	2,500 - -
Gratuities, subscriptions to charities, and relief to distressed natives of India - - -	1,445 - 11
Gratuities to families of officers killed in action - - -	357 15 10
Maintenance of lunatics from India - - -	7,899 14 -
Transport of convicts from India to Western Australia - -	537 18 7
Passage and outfit of the Governor of Madras, the Commander in Chief at Bombay, Puisne Judge of the High Court of Judicature at Calcutta, Puisne Judge of the High Court of Judicature at Bombay, Puisne Judge of the High Court of Judicature in the North-Western Provinces, Chaplains, Professors, Schoolmasters, Civil Engineers, &c. - - -	11,101 17 3
Examination expenses and allowances of candidates for the Civil Service of India, and Civil Engineers - - -	8,360 6 9
Expenses on account of officers acquiring scientific knowledge - - -	320 - 3
Agents at the outports and abroad, salaries and expenses -	2,447 17 10
Expenses in connexion with the introduction of Cinchona plants into India - - -	616 8 -
Medals - - -	183 8 5
Indian Law Commission - - -	3,000 - -
Indian Accounts Commission - - -	1,034 12 11
Expenses connected with the extension of the Order of the "Star of India" - - -	5,533 16 6
Gratuities granted in lieu of pensions to members of the Uncovenanted Service of India - - -	3,535 - -
Allowances to officers for special services, expenses of Royal Commission of Inquiry to consider memorials of Indian officers, fees for the preparation of new letters patent for the High Courts of Judicature in India, &c. - - -	2,964 3 6

751,323 5 11

MILITARY CHARGES:

Effective.

£. s. d.

Cost of education of officers and cadets at Chatham and Sandhurst - - -	9,790 10 -
Cost of education, and pay of assistant surgeons at Netley, and allowances and passage to India on appointment - -	9,157 3 10
Passage of officers and troops - - -	280,416 9 5
The Imperial Government for troops serving in India - - -	645,000 - -
Furlough allowances - - -	199,031 18 4
On account of contracts for construction of Indian troop transports - - -	177,020 18 9
Miscellaneous - - -	30 - -

1,320,447 - 4

Non-effective.

The Imperial Government on account of retired pay, &c. of troops serving or having served in India (Act 25 & 26 Vict. c. 27) - - -	222,500 - -
Retired pay, including colonels' allowances - - -	761,021 1 8
Pensions, Lord Clive's Fund - - -	125,493 10 2

1,109,014 11 10

2,429,461 12 2

MARINE CHARGES:

Furlough and absentee allowances - - -	1,855 15 4
Pensions and retired allowances - - -	56,742 11 11
Commutation of pensions of officers of the late Indian Navy - - -	308 6 9
Passage from India of officers of the late Indian Navy on abolition of that service - - -	125 - -

59,031 14 -

5,119,552 3 2

Carried forward - - - £.

5,148,252 3 2

No. 1.—AN ACCOUNT of the Receipts and Disbursements of the Home

RECEIPTS—*continued.*

Brought forward - - -

£.	s.	d.
16,520,142	11	9

£.	16,520,142	11	9
----	------------	----	---

Having examined the Account of the Receipts and Disbursements of the Home Treasury of the Government of 1866, that all sums of money, stores, and property specified therein as received and disbursed by the officers of the documents, and authorities connected therewith are complete and satisfactory.

India Audit Office, 19 February 1867.

Treasury of the Government of India, from 1st May 1865 to 30th April 1866—continued.

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William G. Goodliffe, Accountant General.

India from 1st May 1865 to 30th April 1866, I beg to report, in terms of the 52d section of the 21 & 22 Vict. cap. Right Honourable the Secretary of State for India in Council, have been duly accounted for, and that the vouchers,

G. J. Jameson, Major General, Auditor.

No. 2.

TREASURY of the GOVERNMENT of India, from 1st May 1866 to 31st March 1867.

DISBURSEMENTS.		£.	£.
India 4 per Cent. Debentures paid off	- - - - -	-	90,000
Loan to India Branch Railway Company	- - - - -	-	60,000
CHARGES ON THE REVENUES OF INDIA.			
DEBT:		£.	
Dividends to Proprietors of East India Stock	- - - - -	629,970	
Interest on Loans contracted in England:			
East India Bonds	- - - - -	176,683	
India Debentures	- - - - -	222,285	
India 5 per Cent. Stock	- - - - -	833,505	
India 4 per Cent. Stock	- - - - -	48,820	
Temporary Loans	- - - - -	25,000	
		1,306,293	
CIVIL CHARGES:			1,936,263
Home Establishment:			
Salaries of the Secretary of State, Under Secretaries of State, Members of the Council of India, Secretaries and Officers of the Secretary of State for India in Council, Assistant Military Secretary to his Royal Highness the Field Marshal Commanding in Chief and Clerk, Assistant to Director of Transports at the Admiralty, and Members of the London Medical Board	- - - - -	122,141	
Auditor and assistants under Act 21 & 22 Vict. c. 106, s. 52	- - - - -	2,269	
Stores Department:—Wages of labourers, cartage, lighterage, dock dues, &c.	- - - - -	19,954	
Law charges	- - - - -	3,489	
Bank of England and Bank of Ireland for management of debt	- - - - -	10,769	
Postage of despatches to and from India	- - - - -	4,475	
Office Contingencies:			
Rent, rates, taxes, coals, gas, candles, furniture and repairs, books, maps and charts, printing, stationery, stamps, bookbinding, advertisements, postage, and various petty charges	- - - - -	24,671	
		187,768	
Amount paid under postal arrangement with the Lords of Her Majesty's Treasury	- - - - -	42,174	
Subsidy to the Euphrates and Tigris Steam Navigation Company on account of the mail service between Bussorah and Bagdad	- - - - -	4,200	
On account of Red Sea and India Telegraph	- - - - -	18,027	
Ditto - Malta and Alexandria Telegraph	- - - - -	209	
Ditto - Mission to the Court of Persia	- - - - -	9,000	
Ditto - Her Majesty's Establishments in China	- - - - -	19,809	
Pensions and retired allowances	- - - - -	199,513	
Compensation pensions to officers and petty officers, &c. of the maritime service of the East India Company	- - - - -	13,536	
Furlough and absentee allowances	- - - - -	79,305	
New India Office	- - - - -	82,000	
Purchase of land for improving the site of the India Office and the approaches thereto	- - - - -	43,825	
East India Company, for expenses in respect of their capital stock and dividends	- - - - -	2,640	
Poplar Fund pensions	- - - - -	3,021	
Annual donation to Bengal Civil Fund	- - - - -	2,500	
Gratuities, subscriptions to charities, and relief to distressed natives of India	- - - - -	936	
Carried forward	- - - £.	708,463	1,936,263
			150,000

No. 2.—AN ESTIMATED ACCOUNT of the Receipts and Disbursements of the Home

[illegible]

Treasury of the Government of *India*, from 1st May 1866 to 31st March 1867—*continued*.

	£.	£.	£.
Brought forward - - -	708,463	1,936,263	150,000
DISBURSEMENTS— <i>continued</i> .			
CHARGES ON THE REVENUES OF INDIA— <i>continued</i> .			
CIVIL CHARGES— <i>continued</i> .			
Gratuities to families of officers killed in action - - - -	100		
Maintenance of lunatics from India - - - - -	7,762		
Passage and outfit of the Governor of Bombay, the Bishop of Calcutta, the Recorder of Prince of Wales' Island, Chaplains, Professors, Schoolmasters, Civil Engineers, &c. - - - - -	9,043		
Examination expenses and allowances of candidates for the Civil Service of India, the Indian Telegraph Department, and Civil Engineers -	13,460		
Expenses on account of officers acquiring scientific knowledge - -	426		
Agents at the outports and abroad, salaries and expenses - - -	1,483		
Expenses in connexion with the introduction of Cinchona plants into India - - - - -	859		
Medals - - - - -	61		
Indian Law Commission - - - - -	3,012		
Expenses connected with the extension of the Order of the "Star of India" - - - - -	5,618		
Gratuities granted in lieu of pensions to members of the Uncovenanted Service of India - - - - -	240		
Allowances to officers for special services, cost of, and expenses incurred in placing monument to the late Sir James Outram in Westminster Abbey, &c. - - - - -	3,060		
		753,587	
MILITARY CHARGES:			
<i>Effective.</i>			
Cost of education of officers and cadets at Chatham and Sandhurst - - - - -	£. 9,219		
Cost of education and pay of assistant surgeons at Netley, and allowances and passage to India on appointment - - - - -	9,891		
Passage of officers and troops - - - - -	272,901		
The Imperial Government for troops serving in India - - - - -	675,000		
Furlough allowances - - - - -	218,615		
On account of contracts for construction of Indian Troop Transports - - - - -	569,626		
India Overland Troop Transport Service - - - - -	3,885		
		1,759,137	
<i>Non-Effective.</i>			
The Imperial Government on account of retired pay, &c. of troops serving or having served in India (Act 25 & 26 Vict. c. 27) - - - - -	210,000		
Retired pay, including colonels' allowances - - - - -	747,262		
Pensions, Lord Clive's Fund - - - - -	91,583		
		1,048,845	
		2,807,982	
MARINE CHARGES:			
Furlough and absentee allowances - - - - -	1,807		
Pensions and retired allowances - - - - -	53,726		
Commutation of pensions of officers of the late Indian Navy - - -	580		
		56,113	
			5,553,945
Carried forward - - - £.			5,703,945

No. 2.—AN ESTIMATED ACCOUNT of the Receipts and Disbursements of the Home

RECEIPTS—*continued.*

Brought forward - - -

£.

19,231,330

£.

19,231,330

Treasury of the Government of India, from 1st May 1866 to 31st March 1867—continued.

		Brought forward - - -	£. 5,703,945
DISBURSEMENTS—continued.			
PAYMENTS IN ENGLAND INCLUDED AS CHARGES IN THE INDIAN ESTIMATES AND ACCOUNTS:			
	£.	£.	
Military and other stores - - - - -	1,114,371		
On account of contract for constructing Carwar (Sedashegar) Pier -	243		
Ditto - - for supply of machinery for Alipore Gaol -	8,121		
Freight of stores - - - - -	34,643		
		1,157,378	
Dividends on the Indian Transfer Loan - - - - -		33,490	
Guaranteed Interest on the Capital of Railway and other Companies, under their respective Deeds of Contract, including Interest on Debenture Bonds:			
	£.		
Bombay, Baroda, and Central India Railway Company - - -	285,785		
Calcutta and South Eastern Railway Company - - -	23,473		
Eastern Bengal Railway Company - - - - -	74,321		
East Indian Railway Company - - - - -	1,212,158		
Great Indian Peninsula Railway Company - - - - -	700,232		
Great Southern of India Railway Company - - - - -	46,339		
Madras Railway Company - - - - -	388,459		
Scinde Railway Company (including Indus Flotilla and Punjaub and Delhi Railways) - - - - -	265,074		
Madras Irrigation and Canal Company - - - - -	47,838		
		3,043,679	
Miscellaneous:			
Interest of India debt paid by Bills on London - - -	1,021		
Purchase of horses and sheep - - - - -	7,494		
Burmah and Persian donation batta - - - - -	53		
Payments to His Highness Maharajah Duleep Sing - - -	33,167		
Annuities of the Madras Civil Fund of 1818 - - -	2,259		
Amount of bills drawn from Persia for disbursements on account of the Government of India - - - - -	12,862		
Indo-European Telegraph - - - - -	9,970		
Kurrachee Harbour, engineering expenses - - - - -	679		
Godavery Navigation Works, expenses in connexion therewith - - -	118		
Purchase by the Bombay Government of two vessels of the late Anglo-Chinese squadron, and stores - - - - -	11,882		
Advances on account of Indian pay, &c. - - - - -	10,117		
		89,622	
			4,324,169
DISBURSEMENTS IN ENGLAND IN RESPECT OF SUMS RECEIVED OR RECOVERABLE IN INDIA:			
	£.		
Advances to the Civil, Military, and other Provident Funds of India - - -	497,867		
Annuities paid in England chargeable to the Indian Civil Annuity Funds - - -	244,578		
Her Majesty's Postmaster General, on account of postage collected in India - - -	47,436		
Family remittances, remittances by Administrators General, soldiers' deposits, &c. - - -	283,228		
Prize money - - - - -	57,999		
			1,181,108
Indian Railway and other Guaranteed Companies, on account of Stores, Establishment Charges, &c.:			
	£.		
Bombay, Baroda, and Central India Railway Company - - - - -	346,472		
Calcutta and South Eastern Railway Company - - - - -	89,394		
Eastern Bengal Railway Company - - - - -	186,889		
East Indian Railway Company - - - - -	1,044,841		
Great Indian Peninsula Railway Company - - - - -	967,040		
Great Southern of India Railway Company - - - - -	95,781		
Madras Railway Company - - - - -	334,665		
Scinde Railway Company (including Indus Flotilla and Punjaub and Delhi Railways) - - - - -	902,658		
Madras Irrigation and Canal Company - - - - -	5,589		
		3,973,329	
			15,182,551
Balance on 31st March 1867 - - - - -			4,098,779
		£.	19,231,330

— No. 3. —

AN ACCOUNT of the DEBTS and CREDITS in *England* of the GOVERNMENT of *India*,
on the 1st April 1867.

DEBTS.

	£.	£.
East India Bonds :		
Bonds bearing interest at 5 per cent. per annum - - - - -	4,000,000	
Bonds not bearing interest - - - - -	20,917	
	4,020,917	
Bonds issued as security for temporary loans to the like amount - - - - -	1,000,000	5,020,917
Five per Cent. Debenture Loan, capital of the loan - - - - -		4,998,000
Five per Cent. Stock, capital of the stock - - - - -		17,100,000
Four per Cent. Stock - ditto - - - - -		2,441,000
Dividends on the capital stock of the East India Company unclaimed - - - - -		10,991
Amount owing for export stores and miscellaneous claims - - - - -		65,615
Imperial Government : War Office claims - - - - -		120,000
Unclaimed prize-money, applicable to Lord Clive's Fund (Acts 1 & 2 Geo. 4, c. 61 ; and 9 Geo. 4, c. 50) - - - - -		48,146
	£.	
Poplar Fund, including unclaimed wages of seamen, &c. - - - - -	219,485	
Unclaimed prize-money, applicable to Poplar Fund (Acts 1 & 2 Geo. 4, c. 61 ; and 9 Geo. 4, c. 50) - - - - -	27,450	246,935
Bills of exchange from India, unpaid - - - - -		1,643
	£.	30,053,247

CREDITS.

	£.	£.
Cash - - - - -		4,098,779
Military and other public stores remaining unshipped - - - - -		72,372
Computed Value of Buildings and Lands ; viz. —	£.	
Warley Barracks, near Brentwood, Essex (residue of purchase money payable by the War Office) - - - - -	30,000	
Store warehouse, Belvedere-road, Lambeth - - - - -	60,000	
New India Office - - - - -	360,000	
Land for improving the site of the India Office and the approaches thereto - - - - -	70,000	520,000
Indian Railway and other Guaranteed Companies ; Amount due by the undermentioned Companies on Capital Account for Payments in excess of Receipts in England and in India (partly estimated) :		
Scinde Railway Company, (including Indus Flotilla and Punjaub and Delhi Railways)	950,523	
Bombay, Baroda, and Central India Railway Company - - - - -	439,948	
Calcutta and South Eastern Railway Company - - - - -	150,944	
Great Southern of India Railway Company - - - - -	213,515	
	1,754,930	
Deduct—Amount due to the undermentioned Companies on Capital Account for Receipts in excess of Payments in England and in India (partly estimated) :		
East Indian Railway Company - - - - -	£. 158,201	
Madras Railway Company - - - - -	177,402	
Great Indian Peninsula Railway Company - - - - -	718,049	
Eastern Bengal Railway Company - - - - -	23,530	
Madras Irrigation and Canal Company - - - - -	10,674	
	1,087,856	667,074
Indian Railways, &c.; amount of interest paid in England and in India on capital of Railway and other Guaranteed Companies, under their respective deeds of contract, deducting therefrom the amount received in India (partly estimated) applicable to the repayment of such interest - - - - -		11,520,668
	£.	16,878,803
Brought down, Amount of Debts - - - - -	£. 30,053,247	
Ditto - - ditto - - Credits - - - - -	16,878,893	
Debts in Excess - - - - -	£. 13,174,354	

The above, on the one hand, is exclusive of the amount owing to Proprietors of India Stock for their Capital ; and on the other hand, of the Guarantee or Security Fund, formed under the provisions of the Act 3 & 4 Will. 4, c. 85.

— No. 4. —

A LIST of the ESTABLISHMENT of the SECRETARY of STATE in COUNCIL of *India*, and the SALARIES and ALLOWANCES payable in respect thereof, on 1st April 1867.

	Number.	Salaries and Allowances.		
		£.	s.	d.
Secretary of State, Under Secretaries of State, Assistant Under Secretary of State, and Members of Council - - - - -	19	28,450	-	-
Correspondence Department: consisting of eighty-nine officers and clerks - - - - -	89	46,186	-	-
Accountant General's Department: consisting of twenty-six officers and clerks - - - - -	26	12,353	-	-
Director General of Stores Department: consisting of twenty-eight officers and clerks, and twenty-one examiners and assistant examiners of stores - - - - -	49	14,757	-	-
India Military Funds Department: consisting of nine officers and clerks - - - - -	9	2,240	-	-
Official Director of Indian Railway Companies, Standing Counsel, Solicitor, Clerk of the Works and Draughtsman, Geographer, Librarian and Clerk, Reporter of the Products of India and Clerk, Keeper of the Museum and Assistant, and two Members of Medical Board -	14	8,210	-	-
Office-keepers, hall porters, and messengers - - - - -	51	5,775	-	-
Superintendent of charwomen, and seven charwomen - - - - -	8	370	-	-
Portion of the former establishment of the Board of Control, retained at the office in Cannon Row, in charge of records and papers, consisting of one officer and one clerk, messengers, housekeeper, and female servants - - - - -	8	976	-	-
	273	119,317	-	-
Labourers in the Department of the Director General of Stores - - - - -	140	8,626	16	-
	413	127,943	16	-
Allowances payable to clerks, messengers, charwomen, and labourers temporarily employed - - -		£. 3,775	12	-

— No. 5. —

AN ACCOUNT of New or Increased SALARIES, ESTABLISHMENTS, or PENSIONS, granted or created in *Great Britain*, between 1st May 1866 and 31st March 1867.

SALARIES.		AMOUNT PER ANNUM.		
		£.	s.	d.
Mr. T. L. Seccombe, Secretary in the Financial Department, personal allowance - - -		200	-	-
Major General T. T. Pears, c.b., Secretary for Military Correspondence, ditto - - -		200	-	-
Hon. G. C. Talbot, Director General of Stores, - - - - - ditto - - -		200	-	-
Major General M. F. Willoughby, c.b., Inspector of Stores - - - ditto - - -		200	-	-
Mr. C. R. Markham, senior clerk, Public Works Department - - - ditto - - -		150	-	-
Mr. W. Fidler, junior clerk, Political and Secret Department - - - ditto - - -		100	-	-
Assistant Inspector of Stores, 650 <i>l.</i> , in lieu of former salary of 500 <i>l.</i> - - -		150	-	-
Assistant to Supervisor of Stamps and Copper Coinage of India (in lieu of former salary of 100 <i>l.</i> per annum, with an allowance for overtime of 9 <i>d.</i> an hour) - - -		{ 160 <i>l.</i> to 220 <i>l.</i> , by an annual rise of 10 <i>l.</i>		
ESTABLISHMENTS.				
Correspondence Department:				
One senior clerk - - - - -		{ 500 <i>l.</i> to 700 <i>l.</i> , by an annual rise of 20 <i>l.</i>		
One - ditto - (extra) - - - - -		On a fixed salary of 500 <i>l.</i>		
Three junior clerks (two of whom were previously copying clerks; the number of the latter being now reduced from 14 to 12) - - - - -		{ 100 <i>l.</i> to 450 <i>l.</i> , by an annual rise of 16 <i>l.</i>		

ESTABLISHMENTS—*continued.*

AMOUNT PER ANNUM.

Department of the Director General of Stores:

One senior clerk - - - - -	500 <i>l.</i> to 650 <i>l.</i> , by an annual rise of 20 <i>l.</i>
Two junior clerks, 1st section (the office of accountant abolished) - - - - -	320 <i>l.</i> to 480 <i>l.</i> , by an annual rise of 15 <i>l.</i>
Six junior clerks, 2nd section - - - - -	100 <i>l.</i> to 300 <i>l.</i> , by an annual rise of 10 <i>l.</i>
Two examiners of cloth - - - - -	Each 250 <i>l.</i> , rising, on report of Director General, to 300 <i>l.</i>
Ten examiners of other denominations - - - - -	Each 150 <i>l.</i> , rising, on report of Director General, to 300 <i>l.</i>
Seven assistant examiners - - - - -	Each 120 <i>l.</i> , rising, on report of Director General, to 150 <i>l.</i>
In lieu of seven examiners of stores, each 120 <i>l.</i> , rising, on the report of the Director General to 300 <i>l.</i> ; and six assistant examiners, each 120 <i>l.</i> , rising, on the report of the Director General, to 150 <i>l.</i>	

Military Funds Department:

Director of Military Funds, and Chairman of Consulting Committee - - - - -	No salary; office being at present held by the Financial Secretary. 800 <i>l.</i>
Deputy Director of Military Funds - - - - -	{ Two at 250 <i>l.</i> each. Two at 200 <i>l.</i> each.
Four Members of Consulting Committee - - - - -	
Two senior bookkeepers - - - - -	Each 150 <i>l.</i> to 250 <i>l.</i> , by a triennial rise of 20 <i>l.</i>
One junior bookkeeper - - - - -	130 <i>l.</i> to 200 <i>l.</i> , by a triennial rise of 20 <i>l.</i>
One - ditto - - - - -	110 <i>l.</i> to 200 <i>l.</i> , by a triennial rise of 20 <i>l.</i>

PENSIONS.

Mrs. Louisa Ann Garstin, in consideration of her distressed circumstances, owing to the death of her son, Major W. T. Garstin, through ill health contracted on service in the Bhotan Campaign - - - - -	£. s. d. 50 - -
Alfred Dobson, late marine apprentice, Indian Navy; amount of subsistence allowance previously drawn by him, continued as pension, in consideration of the impaired state of his health - - - - -	12 3 4
Lieutenant E. A. Vine, a special compassionate allowance - - - - -	35 - -
Mrs. Charlotte Bower and Mrs. Maria Nicholetts, in consideration of the eminent services of their late father, Major General Sir W. Nott, G.C.B.; each 100 <i>l.</i> - - - - -	200 - -
Frederick Tonks, formerly a messenger in the India Office, a compassionate allowance - - - - -	24 - -
	£. 321 3 4

— No. 6. —

ALLOWANCES, COMPENSATIONS, and SUPERANNUATIONS, granted between the 1st May 1866 and 31st March 1867, under Act 21 & 22 Vict. c. 106.

NAME.	OFFICE.	Period of Service.	Age.	Salary and Allowances.	Annual Pension.
		Years.	Years.	£. s. d.	£. s. d.
Mr. A. S. Flinders - - -	Junior clerk, Correspondence Department.	11	33	374 - -	160 - -
Mr. T. Tonks - - - - -	Hall porter - - -	40	71	127 - -	95 5 -
				£.	255 5 -

-- No. 7. --

COMPENSATIONS granted to the Families of DECEASED OFFICERS of the East India Company's late Maritime Service, in the form of Annuities, under Act 3 & 4 Will. 4, c. 85.

N A M E.	Date of Grant.	Annual Pension.	
Mrs. Mary Knight Curtis, widow of a third mate - - - - - }	14 Mar. 1867	£. s. d. 40 - -	During widowhood.

India Office, }
22 April 1867. }

William G. Goodliffe,
Accountant General.

EAST INDIA (HOME ACCOUNTS).

HOME ACCOUNTS

OF THE

GOVERNMENT OF INDIA.

(Presented pursuant to the Act 21 & 22 Vict. c. 106.)

Ordered, by The House of Commons, to be Printed,
1 May 1867.

EAST INDIA (LAND REVENUE).

RETURN to an Address of the Honourable The House of Commons,
dated 15 July 1867;—*for*,

“ COPY of CORRESPONDENCE between the Secretary of State for *India* in Council and the Government of *India* in 1865, 1866, and 1867, on the Subject of the Permanent Settlement of the LAND REVENUE in *India*.”

India Office, }
16 July 1867. }

FRAS. W. PRIDEAUX,
Secretary, Revenue Department.

(*Sir Stafford Northcote.*)

Ordered, by The House of Commons, to be Printed,
18 July 1867.

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COPY of CORRESPONDENCE between the Secretary of State for *India* in Council and the Government of *India* in 1865, 1866, and 1867, on the Subject of the Permanent Settlement of the LAND REVENUE in *India*.

(Home Department.—Revenue.—No 12 of 1864.)

To the Right Honourable Sir *Charles Wood*, Bart, G.C.B., Secretary of State for India.

Sir,

Simla, 8 June 1864.

WITH reference to your Despatch No. 14, dated the 9th July 1862, we have the honour to transmit, for your information, a copy of the papers noted on the margin, on the subject of the proposed permanent settlement of the Land Revenue in the North Western Provinces.

2. For our views on this important subject, and for the steps which we have taken in connection with it, we beg to refer to the two communications this day made to the Government of the North Western Provinces.

Minute by the Lieutenant Governor, North Western Provinces; dated 20 July 1863, with a note by Mr. Muir, senior member of the Sudder Board of Revenue.
Minute by Sir Charles Trevelyan, dated 18 August 1863.
Minute by Mr. Grey, dated 14 October 1863.
Minute by Mr. Harington, dated 30 October 1863.
Minute by Sir Charles Trevelyan, dated 21 January 1864.
Minute by Sir Robert Napier, dated 31 January 1864.
Minute by Mr. Maine, dated 4 February 1864.
Minute by the Governor General, dated 5 March 1864.
Minute by Mr. Harington, no date.
Remarks by Mr. Muir, dated 23 and 31 March 1864.
Note by Mr. Money, dated 30 March 1864.
Minute by the Lieutenant Governor, North Western Provinces, no date.
Letter to Government, North Western Provinces, No. 543, dated 8 June 1864.
Letter to Government, North Western Provinces, No. 544, dated 8 June 1864.

We have, &c.

(signed) *John Lawrence.*
H. Rose.
R. Napier.
H. S. Maine.
C. E. Trevelyan.
W. Grey.
G. N. Taylor.

PERMANENT SETTLEMENT.

MINUTE by the Honourable the Lieutenant Governor of the North Western Provinces; dated 20th July 1863.

I AGREE generally in the views expressed by Mr. Muir in this note, but he appears to me to have laid too much stress upon the remarks quoted from Sir C. Trevelyan's Financial Statement, which were probably not intended to mean more than what Mr. Muir himself admits, that the permanent settlement should be granted only when the general condition of the estate or district is that of a fair average of cultivation; that is, as explained in a following paragraph, when the cultivation has nearly reached its maximum, and further improvement can be looked for only from that outlay of capital and accretion of wealth, which are the natural results of permanency of tenures.

The sentence * in Sir C. Trevelyan's statement, however, immediately preceding those extracted by Mr. Muir is, no doubt, inconsistent with the facts in these provinces; for, as explained in the 12th paragraph of Mr. Muir's note, and as proved by all experience, the prospect of either permanent or temporary settlement acts as a check rather than as a stimulus to the extension of cultivation.

The general question of permanently settling the Government demand upon the land in the North Western Provinces has been fully and ably discussed in the Minutes of the late Lieutenant Governor, and of the members of the Board of Revenue, as recorded in the proceedings of this Government, dated 31st May 1862, and already communicated to the Supreme Government; upon which no final expression of opinion has yet been received though, as represented by the Board, the subject is one which calls for early decision.

I, therefore, gladly avail myself of this opportunity of recording some brief remarks upon various matters connected with the practical application of a permanent settlement to these provinces; and I do so the more readily because the satisfactory completion of these

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these settlements will form a very important part of the duties of this Government for several years to come, and there is no question which will more deeply and directly affect the welfare and progress of the people, and upon which therefore it can be more necessary that the policy and procedure of the Government should be maturely considered, and carried out upon sound and intelligible principles.

The propriety of a permanent settlement of the land tax, so soon as the condition of the country will warrant it, and the necessity for a preliminary revision of the assessment, are questions upon which I will assume that there is no longer any difference of opinion; it remains to consider how this great boon may best be conferred with due regard to existing rights, and without unnecessary expense either to the people or the State.

Existing practice, in regard to the investigation and record of rights connected with the land, may be regarded generally as sufficient; but there are some questions affecting under-tenures upon which a more definite understanding is very much needed, and that without delay, and the early revision of settlements, if carefully carried out in the manner I propose, will be the more valuable, as it will tend greatly to allay, if not altogether to remove, that disturbance of customary rights among the agricultural classes, almost amounting to revolution, which has been produced by the enactment of Act X. of 1859, and which in Bengal has been so prolific of ill-feeling between landlords and tenants.

Apart from its effects upon individual rights, the objections which have been made against the permanent settlement in Bengal, and against many of the settlements in these provinces, have arisen principally from the dearth of well qualified supervising officers; from the rapidity with which the assessments were completed, and from the necessarily superficial character of the investigations into the assets of each estate. There is no reason why these errors should be repeated; there is no need for undue haste; the determination of Government to concede a permanent settlement, whenever the condition of an estate may warrant it, having once been announced, the Government may take its own time in converting temporary settlements into permanent ones, according to the evidence adduced, that an accurate and trustworthy valuation of the assets has been arrived at.

For the attainment of this object it has first to be determined what value shall be assigned to the revisions of settlement recently completed or now in progress; and, secondly, whether it will be possible for the future to secure equally or more correct valuations of estates without subjecting their owners and the people generally to those exactions which are admitted to be inseparable from the existing system.

There is one question, however, of great difficulty in connection with any permanent settlement upon which, before proceeding further, it may be well to offer a few remarks; I refer to the question of the claim of the State (in addition to any water rate levied by the canal authorities, which is in the nature of a moderate rate of interest upon the capital expended by the State) to a share in the enhanced profits which may hereafter accrue from the extension of irrigation from canals constructed at the sole cost of Government.

As respects lands which have already come under the influence of the canals, and where canal irrigation has reached its full development, the Government will obtain its fair share of improvement at the present revision of assessments; but as regards lands which have not yet, but may hereafter, benefit by the extension of canal irrigation, the Government will by a permanent settlement apparently forego all right to any future additional revenue. This is urged as an argument against any immediate permanent settlement at all, and the difficulty which it is sought to overcome, and for which a variety of measures have been suggested, is that of reconciling a permanently fixed assessment, with the reservation of a right to participate in future profits.

It seems to me, however, that undue prominence is given to this idea of a Government claim to share in prospective profits. No one would maintain that because a proprietor might in the next 10 years irrigate the greater part of his estate by wells, he should, on that account, be excepted from a present permanent settlement; and if in the case of a canal the expenditure of capital and labour were made not by Government but by a third party, the claim would be for the value of the water, at whatever rate that might be assessed, not for any share in the profits of the soil. So far, then, as Government is concerned, if the market value of water supplied from canals, or the full cost of construction, or a fair annual interest upon that cost is recovered, the fact of increased productiveness from canal irrigation seems to constitute no stronger ground of claim to participate, than enhanced profits from the opening up of railways, or any other circumstance of general progress and development.

In this view the question resolves itself into the rate which should be charged for water supplied from the canals to lands which are not irrigated at the time of permanent settlement; and in this there can be no difficulty, since the exact cost of supplying water to any new customer can be readily ascertained, and the interest upon that sum at 5 per cent., *plus* any reasonable charge for the water itself, will be the amount of the water rent, and compensation for failure in the supply of water would, of course, be granted at similar rates.

The incidence of this rent might also, with advantage, be so regulated by progressive increase as to meet the disinclination of cultivators to take the first steps towards irrigation. If the water were given in the first instance free of charge for one or two years, it is probable that the area of irrigation would be rapidly extended, and the permission to redeem these water rents at 20 years' purchase, less 10 per cent. for cost of collection, with condition for payment of compensation in the event of failure of supply, might be found

more

more acceptable to the people, and would probably be more extensively resorted to than the redemption of the land tax, while it is open to none of the objections which can be brought against that measure.

To return to the question of the revisions of assessment, already completed or now in progress, it seems advisable that these should be accepted as the basis of permanent settlement; but before they are finally adopted, they should be again tested in detail by some agency specially qualified for the work, and with so much permanency of character as to render it available for transfer from district to district as the settlement progresses.

This agency ought also to be equal to the task of securing the people from exaction, and at the same time afford the Government the strongest possible assurance that the work had been done in the most efficient and satisfactory manner that could reasonably be expected from the skill and experience at its command.

This object may be attained, I believe, at a very small cost to Government. The Sudder Board of Revenue at present consists of two members, and the most important part of its duties are those connected with settlements; when these are completed, one member, as was recently observed by Mr. Muir, may probably suffice to carry on the work. It has occurred to me, therefore, that it would be a very beneficial arrangement, saving both time and labour, if the measures proposed for the revision of assessments, and introduction of the permanent settlement were at once placed under the immediate direction of one, say the second member of the Board (leaving the other business to be carried on by the senior member and secretary), with such additional aid as might, on further consideration, appear suitable, probably not exceeding three or four of the principal officers, European and native, already employed on settlement duty.

As regards the second point, the securing a more trustworthy valuation of estates at a smaller cost of money, and convenience both to Government and the people, I see no reason to doubt that this most desirable object also may be attained by a well organised system of local investigation through the ordinary district officers, with no other aid than that of the putwarees and zemindars, and a few ameens for testing measurements, &c., under the direct personal supervision of the collectors; and I am confirmed in this view by Mr. Muir's opinion in regard to the Meerut district (at paragraph 49 of his Minute, dated 5th December 1861), as also by those of experienced local officers.

The saving to Government in settlement establishments, as well as the relief afforded to the people by such a system, would be very great, and a declaration that inaccurate papers or any attempt at fraud would subject the parties to re-survey of the lands according to the former system at the expense of the proprietors; and, at pleasure of the Government, to temporary instead of permanent settlement, would, I have no doubt, suffice to ensure the accuracy of the returns to a far greater extent than is now possible.

The existing settlements of the districts noted in the margin,* will fall in on the dates specified against them, the intervening period affords time for the careful and efficient revision of assessment by the local officers, and is not more than will be required for the proper settlement in perpetuity of the districts† in which revision has been completed, or is now in progress.

There are many questions intimately connected with the general Revenue Administration of the country, besides those already specified which demand early attention, and could be dealt with most satisfactorily through a Board of Settlement moving about the country, such as I have suggested. I therefore strongly recommend the immediate experimental adoption of the arrangements I have briefly sketched out to the favourable consideration of the Supreme Government, and solicit the favour of early instructions.

(signed) E. Drummond.

* Meerut	-	-	-	-	July 1865
Furruckabad	-	-	-	-	" "
Budaon	-	-	-	-	" 1866
Bijaore	-	-	-	-	" "
Azimghur	-	-	-	-	" 1867
Bareilly	-	-	-	-	" "
Shahjehanpore	-	-	-	-	" 1868
Allyghur	-	-	-	-	" "
† Seharanpore.					
Goruckpore.					
Boolundshuhur.					
Moozuffernuggur.					

NOTE by W. Muir, Esq., Senior Member of the Sudder Board of Revenue, North Western Provinces, upon the principle to be adopted in reference to the extension of the Permanent Settlement of the Land Revenue.

I HAVE taken the accompanying extract from the late financial statement by Sir Charles Trevelyan.

2. It appears to point to a determination, come to by the Government of India, to grant a permanent settlement, not upon general considerations attaching to a wide extent of country, such as a district or pergunnah, but with individual reference to each estate; that is, the proportion between the cultivated and fallow lands in every estate is to be calculated; where the cultivated area exceeds a fixed ratio, a permanent settlement of the revenue is, *ipso facto*, to be granted; where it falls short of that proportion, the permanent settlement is to be withheld until the said proportion be reached.

"In order to prevent any undue sacrifice, it has been determined that the claim of the Government against an estate is not to be fixed until it has been cultivated up to a fair average, leaving only the usual proportion of waste land for pasture.

"I have long been of opinion that a well considered arrangement for fixing the land tax would, besides indirectly augmenting other sources of revenue increase the productiveness of the land tax itself.

"The Government can, under no circumstances, demand more than a moderate assessment. When, therefore, the cultivation has nearly reached its maximum, our obvious policy is to fix the assessment, and to trust for the further improvement of the revenue to the outlay of capital and the accretion of wealth, which are the natural results of permanency of tenure, besides diminished expenses of collection and certainty of receipts. Thus the country becomes divided between estates the assessment of which has been fixed, and estates which the owners are endeavouring to cultivate up to the point which will qualify for its being fixed, and it is difficult to say which condition is most conducive to the increase of the revenue."

3. This has been resolved on (it is said) as a precaution against "any undue sacrifice" of the Government assessment; and it is also believed that the eagerness of proprietors to have a permanent settlement will prove the utmost possible stimulus to agricultural progress, as no effort will be spared till cultivation is extended up to the required limit.

4. It appears to me that an important element in the motives which operate upon the agricultural community has been left out of account in this statement; but before proceeding to consider it I will advert to one or two minor difficulties.

5. In the first place, fallow land is of every variety, good, bad, and indifferent; from that class which is barely culturable, and which is not brought under cultivation till rent has reached its utmost limit, to the best descriptions which are left out of cultivation purely from indifference, indolence, or want of labour and capital. It will not be easy to lay down "a fixed average," the application of which shall not press hardly upon villages containing a large proportion of the former class of fallow, by shutting them out on that account from the privilege of a permanent assessment, or, on the other hand, unduly favour estates possessed of the latter class. A similar remark obviously occurs in reference to that class of lands which bear cultivation for only a certain number of years, and are then abandoned, to be taken up again at some future period. It is often difficult to distinguish between these and ordinary waste, and yet, to be just and equitable, a distinction would be necessary.

6. If a discretion is to be allowed to the settlement officer in reference to the above points, and an inquiry is to be instituted into the *character* as well as the *extent* of the fallow, the process will become complicated, and may assume an appearance of arbitrariness which would affect the motives it is expected will be created by the system.

7. Again, a more important distinction may prevail between different estates or tracts of country, in consequence of varying kinds and stages of agriculture, than in consequence of the varying proportion of fallow land. A village may be entirely cultivated in the rudest and most indifferent manner, *ex gr.* with wild rice, or *mundooa*, crops hardly yielding a surplus beyond the support of the tillers of the soil. Is such a backward state of things to be accepted as a token that the village is ripe for a permanent settlement? Yet in such an estate there may not be a single acre of actual fallow land. It appears to me that the stage to which agricultural improvement has reached in the vicinity, generally, would be a far surer test of fitness for a permanent settlement than a reference in each case to the simple ratio of waste to cultivated lands.

8. A similar observation is applicable to the scale of rents prevalent in any tract of country. Where there is great agricultural depression, no outlet for resources, a sparse and scanty population, the standard of rent will be low. An estate, even if completely cultivated, would, in such a tract of country, yield only the rates of rent prevalent in the vicinity, and no higher rates. Is the mere fact that an estate happens to be cultivated up to a certain point, at such inadequate rents, a valid reason for assessing that estate at an insufficient sum for ever; or ought it not rather to wait with the rest of the tract the depression of which it shares, until a sufficient degree of prosperity has been attained to warrant a perpetual settlement at a full and adequate assessment? This is the ground on which, in my note on permanent settlements,* and in our late address, dated 21st February, our Board has questioned the preparedness of any part of the late Jubbulpore Division for an immediate permanent settlement.

9. On the same grounds, it seems to me that in such a tract as the Terai, or indeed in any outlying and but partially reclaimed quarter, it would be unwise to establish the test proposed, and confer a perpetual settlement on individual villages here and there, which, though they may have a certain proportion of lands under cultivation, cannot but be involved in the general depreciation of all landed property in the vicinity, caused by the backward state of the country, and which consequently share also in the inadequate assessment of the tract.

10. It appears to me that the general state of the district, tract, pergunnah, &c., would be a far more satisfactory test; and that, by following it, any undue sacrifice of the Government revenue would be far more surely guarded against than by taking the ratio of cultivated lands as the test for each estate. Labour, capital, rates of rent, agricultural skill, introduction of valuable staples, all these reach a general level simultaneously over some considerable extent of country; and it is by them that the value of an estate, the estimate of its assets, and the pitch of the Government assessment are effected. Where these are in advance, no estate can well lag behind. Speculators, farmers, purchasers are at hand to supplant the indolent and backward. In all such districts, or portions of districts, the assessment is fixed upon average rates and general principles common to the whole tract. There can be no fear, as a rule, of any loss to Government by declaring the assessment on all such tracts, after careful revision, to be permanent, without any reference in individual cases to the proportion borne by the cultivated to the uncultivated area.

11. Of course, there may exist exceptional cases, where, from some cause, an adequate assessment has not been reached, and where, if a village be not yet prepared for such adequate assessment, it may be expedient to declare the assessment temporary (not indefinitely, but) for a certain term of years. A *fixed* term is necessary to secure any improvement.

12. And

* 5th December, paragraph 58.

12. And this brings me to the main objection against the proposed procedure, viz., that it perpetuates in still greater force the evils of temporary settlements. The proprietor is told that his estate is not sufficiently advanced for permanent assessment; that he is to go on improving it; and that, when the cultivation has reached certain limits, the revenue then assessed will be fixed in perpetuity. This is, in effect, to expect that the proprietor will strive to accomplish results, the direct tendency of which will increase the demand of Government against him. The fear of this will altogether outweigh the desire for a permanent settlement. The object of native proprietors is not so much to obtain a permanent assessment, as to obtain a permanently *low* assessment. Indeed, looking more to the present than to the future, they would incomparably prefer a temporary light assessment to a permanent one in any degree higher. The very fact that a permanent assessment is known to be in prospect will render every rupee of reduction vastly more valuable than under a temporary settlement. The sacrifices and devices which are resorted to at our re-settlements, and for some period preceding, to make the assets appear, or actually to become, less, will consequently be practised in a still greater degree, at least the motives for them will be intensified. The result, to my apprehension, will be that, instead of owners being induced "to endeavour to cultivate up to the point which will qualify" for a permanent settlement, the inducement will be directly the reverse. There will be an ever present endeavour on their part to depreciate the apparent value of their properties; thus to over-reach the revenue authorities, and to secure a light assessment. The system will tend to agricultural depression, and to eventual loss in the land revenue.

13. These results which are to be deprecated not so much for their injury to the revenue, as to the general prosperity of the country, will be obviated by adopting the simple rule that the introduction of a permanent settlement is to depend on the condition of the district, pergunnah, or tract of country; and that all estates (besides such as may be *especially* excepted) lying within those boundaries shall be permanently settled. The blessings of a perpetually fixed demand will thus be secured to all, and a common impetus imparted in the advance towards improvement.

14. I know not whether Sir Charles Trevelyan's remarks have any special reference to these provinces, or how far they may point to a decision already come to by the Viceroy: but on the supposition that no such decision has been actually come to (as none such has yet been communicated to us, although several references are now before the Supreme Government), and that the subject is yet fairly open to discussion, I think we might, without impropriety, submit our views on this important topic to the Government.

(signed) *W. Muir.*

MINUTE by the Honourable Sir *Charles Trevelyan*, K.C.B.; dated 18th August 1863.

THE Senior Member of the Board of Revenue of the North West Provinces has, as supposed by the Lieutenant Governor, given a meaning to my words which they were not intended to bear. Indeed, I have been misquoted; for Mr. Muir, in the 5th paragraph of his paper, says, "It will not be easy to lay down a 'fixed average,' the application of which shalt not press hardly upon the villages containing, &c." I never used the words "fixed average." What I said was, "The claim of the Government against an estate is not to be *fixed* until it has been cultivated up to a *fair* average." This is precisely in accordance with the whole tenor of the instructions in the Secretary of State's Despatch No. 14, dated 9th July 1862 (especially in paragraphs 64, 65, 72, 73), and with what I myself proposed in reference to the Tanjore District in my Minutes dated January 18th and 28th, 1860, noticed in the 54th paragraph of the same Despatch.

But, while there is no real difference between Mr. Muir and myself on this point, I entirely agree with him and the Lieutenant Governor as to the great public importance of instructions being given in reference to the permanent settlement of the North West Provinces.

I request that a copy of this Minute may be sent to the Governor General.

(signed) *C. E. Trevelyan.*

MINUTE by the Honourable *W. Grey*; dated 14th October 1863.

I HAVE read these papers over carefully more than once, and I regret that I do not feel able to offer any remarks upon them which will be likely to assist his Excellency in coming to a decision upon the points submitted by the Lieutenant Governor of the North Western Provinces in his Minute of the 28th July.

I understand the essential points submitted by the Lieutenant Governor, and on which he requires orders, to be these:—

1st. The proposed establishment of a Board of Settlement to be composed of one member of the Board of Revenue, who is to be relieved of all other duty, with such additional aid as may appear suitable, probably not exceeding three or four of the principal officers already employed on settlement duty.

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2nd. That

2nd. That under the general direction of the agency thus created the revision of the existing assessment in the several districts of the North Western Provinces shall be conducted by local investigation through the ordinary district officers with no other aid than that of putwarees and zemindars, and a few ameens for testing measurements, &c., under the direct personal supervision of the Collectors.

This is the plan which the Lieutenant Governor proposes for securing a trustworthy revision of the assessments at the least cost of money, and at the least inconvenience both to Government and the people. It is not stated in what manner and to what extent the district officers are to act originally under the Board of Settlement in carrying out the revision, but, doubtless, it is intended that *some* superintendence and control over the original operations shall be exercised by the Board. The chief duty, however, which is to be performed by the Board is to *test the revised assessment in detail*, moving for that purpose from district to district as the settlement progresses.

Now it is obvious that the only question to be considered here is whether this plan is likely to prove as economical and effective, and as trustworthy in its results as the Lieutenant Governor appears to expect, and on this question I do not feel that I could offer any definite opinion which would deserve consideration. I can only say that the very sketchy statement of his plan, which is put forward by the Lieutenant Governor, is insufficient to satisfy me of its soundness. What strikes me on the surface as doubtful is whether the ordinary district officers can generally be relied on to fulfil the Lieutenant Governor's expectations, and whether any declaration of the penalties to follow upon the production of inaccurate papers will have the slightest effect in preventing the proprietors of land from attempting to deceive the officers engaged in revising the assessments. As regards both these points, something, no doubt, would depend on the efficiency of the subsequent test which is to be applied by the Board of Settlement. Beyond the bare statement, however, that this agency is to test the revised assessments "in detail," no information is given in the Lieutenant Governor's Minute as to the manner in which its proceedings are to be conducted. On the whole, I cannot but think that it is to be regretted that the Lieutenant Governor should have proposed this plan in so very important a matter without (so far as appears) any consultation with the Revenue Board; and, for my own part, I am of opinion that no decision upon it can safely be come to until the views of the Revenue Board are known. I should hope that the Board's views on the Lieutenant Governor's plan generally may be elicited by the communication which will be made to them by his Honor consequent on the receipt of the letter from the Secretary to the Government of India, dated the 18th ultimo. On the particular point adverted to in that letter, I may observe that there seems to me to be some misapprehension. There is no doubt that Mr. Muir cited the Meerut District as being exceptionally circumstanced in respect of the necessary steps preliminary to a revision of settlement having been already completed in that district; but the only point which I understand the Lieutenant Governor to rest upon the case of Meerut is, that what *has been done* there *may be done* everywhere, that is to say, he merely uses, as I understand him, the instance of Meerut in support of that part of his plan which proposes that the revised assessments shall be undertaken by the ordinary district officers, aided by the putwarees, &c., instead of by special settlement establishments. This is the essential, and, as I think, very doubtful feature of the Lieutenant Governor's proposition, and regarding which I think the opinion of the Board of Revenue should be explicitly had.

I do not refer on the present occasion to the question of adopting the revised settlements, now in progress, as the basis of a permanent settlement, further than to say that the suggestion, as applicable to most of the districts of the North Western Provinces, is, no doubt, remarkable and consistent with the spirit of the orders received from the Secretary of State. But it is, perhaps, necessary to remind the Government of the North Western Provinces of the precise tenor of the Secretary of State's instructions,* viz., that as regards districts in which *no considerable increase is to be expected in the land revenue*, and where its *equitable apportionment has been ascertained*, Her Majesty's Government will be ready to sanction on the recommendation of the local Government, supported by that of the Government of India, the settlement in perpetuity of the assessment at the present or the revised rates.

Under these instructions it would seem proper that whenever the revenue authorities and the Government of the North Western Provinces shall be satisfied that in any one or more districts the prescribed conditions are fulfilled, a report should be made to the Government of India, with a recommendation that the assessment, as then existing, be declared perpetual in such district or districts.

(signed) W. Grey.

MINUTE by the Honourable H. B. Harington; dated 30th October 1863.

I SHARE Mr. Grey's regret that the Lieutenant Governor of the North Western Provinces, before submitting a copy of the Minute recorded by him under date 20th July last, and soliciting the orders of his Excellency the Governor General on the propositions therein contained, did not communicate the substance of that Minute to the Members of the Board of Revenue at Allahabad, and invite their suggestions and remarks in respect to

* Paragraph 72 of Despatch No. 14, dated 9th July 1862.

to the arrangements considered advisable by his Honor in view to giving to the territories under his government the benefit of a permanent settlement, to which it is the wish of Her Majesty's Government that those territories should be admitted as soon as they are in a condition to warrant the measure.

I also share Mr. Grey's doubts as to the soundness and practicability of the plan put forward by the Lieutenant Governor of the North Western Provinces, in the belief that it will prove alike effectual and inexpensive, and lead to satisfactory results. Had the Lieutenant Governor consulted the members of the Board of Revenue at Allahabad, I cannot help thinking that they would have been able to satisfy his Honor that the measures proposed by him are neither suitable nor adequate to the end in view.

Lastly, I share the hope expressed by Mr. Grey that the views of the members of the Board of Revenue at Allahabad on the Lieutenant Governor's plan generally may be elicited in the manner mentioned in Mr. Grey's note. The Lieutenant Governor, having those views before him, will, I feel sure, experience no difficulty in modifying his plan, and in proposing such arrangements as will be calculated to accomplish, in a satisfactory manner and within a reasonable period, the great object which, as noticed by his Honor, will prove a very important part of the duties of the Government of the North Western Provinces for some time to come.

The question for consideration being as to the mode in which an accurate and trustworthy valuation of the assets of estates, which is to form the basis of a permanent settlement, can best be obtained; the Lieutenant Governor remarks that it has to be determined, first, "what value shall be assigned to the revisions of settlement recently completed, or now in progress;" and, secondly, "whether it will be possible, for the future, to secure equally or more correct valuations of estates without subjecting their owners, and the people generally, to those exactions which are admitted to be inseparable from the existing system."

Before proceeding to notice the decision come to by the Lieutenant Governor upon these two points, I wish to say a few words on an earlier part of the Lieutenant Governor's Minute, where he says, "Existing practice in regard to the investigation and record of rights connected with the land may be regarded generally as sufficient, but there are some questions affecting under-tenures upon which a more definite, understanding is very much needed, and that without delay and the early revision of settlements, if carefully carried out in the manner I propose, will be the more valuable, as it will tend greatly to allay, if not altogether to remove, that disturbance of customary rights among the agricultural classes, almost amounting to revolution, which has been produced by the enactment of Act X. of 1859, and which in Bengal has been so prolific of ill-feeling between landlords and tenants."

I am not aware on what grounds the foregoing statement is made as to the effect of Act X. of 1859 upon the agricultural classes. Certainly I have seen nothing in the reports, official or otherwise, to which I have had access, of the working of Act X. of 1859, leading to the belief that such has been the effect of the Act in the territories under the government of the North Western Provinces.

I presume that the particular parts of Act X. of 1859, which the Lieutenant Governor had in his mind when he wrote the remark which I have quoted, are Section 6, and that part of Section 17 which declares that "no ryot, having a right of occupancy, shall be liable to an enhancement of the rent previously paid by him, except on the ground that the value of the produce, or the productive powers of the land, have been increased otherwise than by the agency or at the expense of the ryot," taken in connection with Section 5, which says "ryots having rights of occupancy, but not holding at fixed rates, as described in Sections 3 and 4, are entitled to receive pottahs at fair and equitable rates."

Section 6, Act X. of 1859, declares that "every ryot who has cultivated or held land for a period of 12 years has a right of occupancy in the land so cultivated by him, so long as he pays the rent payable on account of the same;" but this declaration is subject to the proviso in the next succeeding section to the effect that "nothing contained in Section 6 shall be held to affect the terms of any written contract for the cultivation of land entered into between a landholder and ryot when it contains any stipulation contrary thereto." Landholders are thus enabled, by an easy and very simple process, to prevent a prescriptive right accruing to, or being acquired by, any ryot not already possessing the right of occupancy. I do not think that this proviso is sufficiently attended to, or has its due weight with those who object to the part of Act X. of 1859, to which the proviso applies.

As regards the period of occupancy specified in Section 6, is it too much to say that the section is merely declaratory in its nature, and that, as respects the North Western Provinces at least, it does nothing more than maintain and make express law, the rule or practice which has long governed the decisions of the Civil and Revenue Courts generally in those Provinces?

It was declared by the highest revenue authorities in the North Western Provinces many years before the Bill, which eventually became Act X. of 1859, was drafted, that "prescription was the best rule to follow. That those who had, for a course of years, occupied the same field at the same or at equitable rates, were held to possess the right of continued occupancy, while those, whose tenure was not similarly sanctioned, were considered tenants-at-will, and that, in practice, it was not difficult to draw the line."

I have before me a copy of a letter from an old North West Settlement officer, who now fills a high judicial situation in the North Western Provinces, in which he says,

"although previously to the enactment of Act X. of 1859, the positions and rights of the various classes of cultivators were never very clearly defined, that is, where the line was to be drawn between a *Mouroosee* and *ghuer Mouroosee Assamee*" [hereditary or non-hereditary cultivator], "yet to the best of my belief it was a very general practice of settlement officers to record all Assamees, who had held cultivating occupancy for *twelve* years, and who desired or claimed to be so recorded, as Mouroosee Assamees, which is only another term for ryots with right of occupancy." In any future revision of settlements all that the officers making such revision will have to do, will be to maintain the record thus made, where the right has not been lost by failure, to pay the rent legally demandable, or by abandonment, or in some other recognised way, and to follow the practice observed in former settlements as regards any rights of occupancy, intermediately acquired, and to record the same.

The tenure of the cultivator, or his right of occupancy, being established, the right to

* Para. 134 (page 69).—"It is not easy to define with precision the rates at which cultivators possessing the right of occupancy are entitled to hold. The Regulations (Section 10, Regulation LI, 1795) mention the established rates of the *pergunnah* for lands of the same quality and description, due consideration being had, as far as may be required by the custom of the district, to the alteration of the species of culture, and the caste of the cultivator; and in another place, (Clause 2, Section 60, Regulation VIII., 1793) the *Nirkhundy* of the *pergunnah*. But in practice such established rates are scarcely ever found to exist. In default of them rents are to be adjusted (Section 7, Regulation V., 1812) according to the rate payable for land of a similar description in the place adjacent, or at rates not exceeding the highest rate paid for the same land in any one year within the period of the three last antecedent years. but both of these rules are difficult of application.

135.—"When the Government fixes its own demand upon an estate, i.e., at the time of settlement, the Government officer is competent to fix the rates payable by the cultivators to the proprietors. He will be very careful not to do this arbitrarily, but he will refuse to admit the principle that because a cultivator paid a low rent before the settlement, he is entitled to hold at the same rate, notwithstanding the Government demand has been re-adjusted. As a general rule, open to exceptions in special cases, the proprietor should be held entitled to raise the rent upon the cultivator until it reach half as much again as the average Government assessment upon land of the same quality.

136.—"When the Government restricts its own demand upon the proprietors, it does not prohibit the proprietors from raising their terms upon the cultivators, in such amount as may be equitable during the period of the settlement. General circumstances affecting the whole *pergunnah*, such as the opening of new markets for the produce, the introduction of new articles of produce, increased facilities of irrigation, or a fall in the value of money, or circumstances having local effect in the village—such as the establishment of a gunge or mart, the new direction of a road, or the construction by the proprietors of some work for irrigation, may all render it equitable that the proprietors should demand an increased rent, though the Government *juma* remain the same. The law (Section 9, Regulation XXX., 1803) has made provision for securing this right to the proprietors, fair opportunity having been afforded to the cultivators for contesting the demand.

137.—"It must always be remembered that, when the improvement of the land is occasioned by the expenditure of capital by the cultivator, the proprietor will not be entitled to enhance the rent even though the cultivator may have neglected to protect himself by a *pottah*."

enhance the rent paid by him rests upon other and independent grounds; and here I would also ask, has the Act of 1859, in so far as the North Western Provinces are concerned, really altered the law, or what has always been supposed to be the law, relating to the enhancement of the rents of cultivators having the right of occupancy, and to have been acted upon as such? The quotation in the margin,* from that very useful work "Directions for Revenue Officers," which was published some years ago under the authority of the Lieutenant Governor of the North Western Provinces, bears immediately upon this question. If what is there stated be compared with the terms of that part of Act X. of 1859, which relates to the enhancement of the rents of cultivators having the right of occupancy, there will be found to be a very general correspondence.

In some parts of the Lower Provinces of Bengal, no doubt, there have been numerous contests between certain landlords and their tenants, on the subject of the rents payable by the latter to the former; but I do not think that it can, with truth, be said that these contests arose from the operation of Act X. of 1859, or that they would not have arisen if Act X. had not been passed.

The suits which have lately been brought in Bengal to enhance rent were, it is true, instituted under Act X. of 1859, and have been decided in accordance with the provisions of that enactment; but this has been simply because Act X. of 1859 has superseded all previous laws relating to

arrears or enhancement of rent, &c., and is the only law under which suits for enhancement of rent can now be entertained and decided.

I believe I am fully warranted in saying that the greater portion of the suits between landlords and tenants, which have been instituted during the last two or three years in Bengal, had their origin, not in Act X. of 1859, but in the refusal of the ryots to continue to cultivate indigo on the same terms as formerly.

For many years past the indigo planters, in some of the districts in Lower Bengal, have been willing to accept from their ryots who cultivated indigo plant for them, rent for the land held by such ryots at a much lower rate than they knew they were entitled to demand. When the ryots refused to cultivate indigo, or to cultivate it on the same terms as before, the landlord commenced to assert his right to a higher rate of rent, his claim to which he had allowed to remain dormant; and this, I believe, he would equally have done notwithstanding that Act X. of 1859 had never been passed, though his suits for enhancement would have been brought under a different law—that is, under the regulations which Act X. of 1859 repealed.

I proceed to consider the measures proposed by the Lieutenant Governor preliminary to the introduction of a permanent settlement into the territories under his Government, where such settlement does not already exist.

For a final revision of settlements in the North Western Provinces to be followed by the settlements so revised, being declared permanent, the Lieutenant Governor proposes to constitute an agency consisting of a member of the Board of Revenue and one or more (but probably not exceeding three or four) of the principal officers, European and native, already employed in settlement duty. Such I understand to be the constitution of the agency which the Lieutenant Governor proposes for the duty above mentioned.

This agency is to proceed from district to district, and in the first instance to test in detail the revision of the settlements *already* completed (by which I understand the Lieutenant Governor to mean the settlements which have recently been concluded), or which are now in progress, and afterwards, the revision of the settlements which will expire between the present time and the year 1874, and which, as they fall in, will also require to undergo the process of revision. The year 1874 is the last of the years mentioned

tioned in Act VIII. of 1846 for fixing the duration of the settlement of the North Western Provinces.

From the use of the words "now in progress" in the earlier part of paragraph 14 of the Lieutenant Governor's Minute, it might be inferred that the Lieutenant Governor intended to limit the operations of the proposed agency, in addition to the settlements already completed, to the revision of settlements actually going on at the present time. The words, however, employed at the end of the same paragraph, rather lead to the belief that the Lieutenant Governor does not contemplate that the operations of the proposed agency should be so restricted, but that they should eventually extend to all the other districts, the settlement of which will, according to the Act above mentioned, expire in the course of the next 10 or 11 years; and I think it may fairly be assumed that such is the intention of the Lieutenant Governor. It is not unreasonable to suppose that the Lieutenant Governor would not consider it right that, when the settlements, which have still some years to run, expire, and the districts to which they relate again come under revision of settlement, the settlement then made, before being declared permanent, should not be subjected to a final test to be applied in the same manner and by the same description of agency as proposed by his Honor, for testing the revision of the settlements already or recently completed, or now in progress. This part, therefore, of the scheme of the Lieutenant Governor embraces, as I understand it, the whole of the North Western Provinces, with exception to the permanently settled districts of Mirzapore, Benares, Juanpore, and Ghazeepore.

The Lieutenant Governor's Minute contains no information as to the precise mode in which the members of the agency, proposed by him, are to carry on their operations; and I am obliged to ask—Are the members to work together as a body, or are they to work separately? Are they to have co-ordinate powers, or are the members junior to the member of the Board of Revenue to act in subordination to him? Is the decision of the member of the Board of Revenue to be liable to be over-ruled by the other members; if so, or if all the members are to have equal authority, it seems to me that there should be greater equality in official position, experience, and knowledge, between the member of the Board of Revenue, and the other members to be associated with him, than there will be in the commission or agency constituted as proposed by the Lieutenant Governor? If all the members are not to be co-ordinate, what are to be the separate functions of the subordinate members, and what the separate functions of the senior member? Then again, is the agency to carry on its work, as it proceeds from district to district, at the Sudder station of the district alone, or is it to move about the district and visit the interior, where, I need not say, detailed settlement operations can most advantageously be carried on, and with the greatest prospect of satisfactory and trustworthy results. Further, I should wish to know what powers are to be exercised by the proposed agency. Is it to have power to alter or order, or if the result of its testing is unfavourable, what is to be done, and how are the proper remedies to be applied? If the powers to be exercised by the proposed agency have been settled, has it been considered whether the law as it now stands, will admit of the exercise of those powers, or whether any fresh legislation will be required?

The paragraphs (68 and 69) quoted in the margin, which are taken from the "Directions," to which I have already referred, describe the duty of the officer appointed to test in detail, or to supervise, the work of the officer employed in settlement duty in the North Western Provinces, under the system at present followed in those provinces.

If the directions contained in these paragraphs may be accepted as furnishing a general outline of what, under the Lieutenant Governor's scheme, the agency proposed by him will be expected to perform, I would submit, with all deference to the Lieutenant Governor, that the work would be better done, and at no increase of cost, and with, I think, no greater likelihood of extortion and oppression as regards the people, by a single officer of the rank and experience mentioned in the former of the two paragraphs quoted, subject of course to the control of the Board of Revenue and of the local government.

From the list given in the margin of the last paragraph but one of the Lieutenant Governor's Minute, there would appear to be only four districts in the North Western Provinces in which the revision of settlement is now in progress, or has recently been completed, viz., Seharunpore, Goruckpore, Boolundshuhur, and Mozuffer-nugur.

The Lieutenant Governor has also given a list of eight districts the settlements of which will fall in on the dates specified in the list, or before the end of the year 1868. I do not know why the Lieutenant Governor has omitted from this list the ten districts the settlement now current in which according to Act VIII. of 1846, will expire after the year above

Para. 68.—"The more surely to guard against error of judgment, provision has been made for the supervision of the settlement officer's proceedings by the Commissioner or some other similar officer of mature experience. The essential feature of this supervision is, that it should not be confined to appealed cases, or depend for its effective exercise on the showing of another party; but that it should extend to all the proceedings, and reach to every possible bearing of a questionable principle. It should also be exercised, not simply on perusal of written proceedings, but by personal communication, in the field and amongst the people, as well as in a house or office, and at a distance from the parties interested.

69.—"In the determination of the assessment, this supervision should be exercised with peculiar diligence and discretion. Appeals against over-assessment should not be peremptorily rejected on the ground that the petitioners by acceptance of the terms of the settlement, have shut themselves out from further appeal, nor ought they to be encouraged by being readily received, and made the occasion of open question and report. It will probably be better to receive them, ascertain exactly the nature of the objections, and lay them aside for consideration on some convenient opportunity, when the subject comes under review in ordinary course, either of personal conference with the settlement officer, or of final report of the proceedings. But under any circumstances, the work will be found so disposed and laid out that it will be easy for the supervising officer, by going over the papers, to detect himself its weak or questionable points, and to seek for full explanation regarding them. If the average falls lighter or heavier upon one village than another, he will ask the reason and inquire not only the cause of the difference, but also the reason why the difference was fixed at the amount he finds it; and he will search whether there were not other causes at work, which ought to increase or lessen the difference, and which had not been brought into the calculation. Any Commissioner who takes to task a settlement officer in this manner, not only on one occasion, or in one pergunnah, or at the close of his work, but repeatedly, in every part of his district, and in every stage of his operations, cannot fail to come to the most distinct understanding as to the character of the settlement, and will find himself able to correct and prevent many erroneous practices and principles, which the most elaborate written instructions could never effect."

mentioned: These are, 1 Allahabad (1869), 2 Futtehpore (1870), 3 Cawnpore (1870), 4 Mynpooree (1870), 5 Muttra (1870), 6 Etawah (1871), 7 Humeerpore (1872), 8 Agra (1872), 6 Moradabad (1872), and 10 Banda (1874).

Whether the settlement which has recently been concluded, or which, being now in progress, may shortly be expected to be concluded, of the four districts first named, that is to say, Seharunpore, Goruckpore, Boolundshuhur, and Mozuffernugger, may, without any further revision, be declared permanent, in reference to the terms and subject to the conditions specified in the Despatch of the Secretary of State, dated the 9th July 1862, is a question upon which I do not venture to offer an opinion. This question can be answered only by the Lieutenant Governor after consulting the Board of Revenue at Allahabad, who possess the best means of forming an opinion on the subject. But I may perhaps be allowed to remark that, from what I know and have heard of the district of Goruckpore, I should much doubt whether, notwithstanding the large addition made at the settlement recently concluded, to the amount at which the district was previously assessed, the present assessment could be declared perpetual without involving a considerable loss of revenue, not, of course, immediately, but after the expiration of the period to which the existing settlement is limited.

But whatever may be the case as regards the four districts above first named, I think we may safely infer, from what is stated in the minutes recorded in the course of last year by the late Lieutenant Governor of the North Western Provinces, and the Member of the Board of Revenue at Allahabad, on the expediency of forming a permanent settlement of the North Western Provinces, that none of the other temporarily settled districts in those provinces could, with a due regard to the public interests, be admitted to the benefit of a permanent settlement without a full and careful revision of the current settlement to be made very much in the same detail and in the same mode, and by agency of the same character as the settlements now in progress. I cannot bring myself to think that the local agency proposed by the Lieutenant Governor would suffice for the purpose; I believe it would be quite impossible for the district officers to give the necessary attention to the work, unless relieved from all other duties. It, of course, matters very little whether the collector and magistrate of the district is appointed to perform the duty, or whether some other officer is specially selected for it, so long as the officer to whom the work of revision is entrusted is competent; but I believe it to be essential to the proper and satisfactory performance of the work, and to its completion within a reasonable period, that the officer employed should be able to devote his whole time and attention to the duty.

The following remarks taken from the Minute of Mr. Muir, the Senior Member of the Board of Revenue, at Allahabad, to which I have already referred, have my entire concurrence:—

Paragraph 47 (page 11).—"It appears to me that every previous effort should be redoubled for securing a strictly equal and impartial assessment, seeing that any inequalities which may be now admitted will soon be beyond our reach to remedy. Especially the European staff for settlement purposes should be advanced to its utmost possible strength; so that as little temptation may be left as practicable to native officials for corruption. The inducements offered to secure favour in a settlement known as about to be a perpetual one will be immense, and it is not in the generality of native officials to resist such inducements.

48.—"Extraordinary arrangements, if calculated to secure this object, ought not therefore to be rejected simply because they are irregular or expensive. An officer, for example, whose standing entitles him to the position of a judge, and whom it might be otherwise desirable to employ in the settlement of a district, should be so employed, notwithstanding the extra expense necessary to provide him with suitable emoluments. Any amount of expense will prove a real saving in proportion to the accuracy thereby obtained in the perpetual assessment."

As regards the district of Meerut, which is specially alluded to by the Lieutenant Governor in his Minute, it is evident, I think, from what Mr. Muir says of that district, that he looks upon its condition, in connection with the question of the gradual introduction of a permanent settlement into the North Western Provinces, as quite exceptional. Mr. Muir certainly speaks of the successful manner in which the work of survey and record of the Meerut district has been carried on by the Putwarees and others. It is, however, only a new survey, which forms but a portion of the work of a revenue settlement, or of a revision of such settlement, which in any future revision of the settlement of the Meerut district, preparatory to fixing the *assessment* in perpetuity, Mr. Muir thinks might probably be dispensed with; and in saying this he repeats the opinion previously expressed, that there is no district in the North Western Provinces to which the permanent settlement should be applied without revision.

I fear that, from imperfect information, or from misapprehension, I may, in the foregoing remarks, have done the Lieutenant Governor injustice as regard the arrangements contemplated by him, which I should very much regret.

(signed) H. B. Harington.

MINUTE by the Honourable Sir *Charles Trevelyan*, K.C.B.; dated 21st January 1864.

I HAVE the same difficulty as Mr. Grey in offering an useful opinion on the points upon which our advice is required in connection with these papers.

Two questions of a practical administrative kind are raised: first, whether one member of the Board of Revenue should be set apart for the general supervision of the operations connected with the Permanent Settlement of the Land Revenue; and secondly, whether the local investigations might not best be conducted through the ordinary district officers, with no other aid than that of the putwarees, zemindars, and a few ameens for testing measurements.

These questions are put without any detail of circumstances or reasons, and the Board of Revenue had not at the time been consulted. The late Viceroy desired that its opinion might be asked; and the Lieutenant Governor and his Board have, probably, already come to an understanding on the subject.

On the first point I should say that the Board of Revenue is quite equal to the duty of superintending the settlement operations without any change of its ordinary constitution. Its duties are not so heavy that it cannot give sufficient attention to whatever happens, at the time, to be the prominent object of interest; and it is found, in practice, that the prevailing subject of the day has an absorbing character, which dwindles other objects and creates leisure for itself. There is already a satisfactory division of labour between the two members of the Board, one of whom takes the eastern districts, which are, for the most part, already permanently settled; and the other the western districts, in which the revision of the settlement is being actively prosecuted.

Although it is only possible to return an abstract answer to an abstract proposition, I entertain great doubts as to the advantage of the other proposal of the Lieutenant Governor. A settlement which is intended to be permanent ought to be made with every available security for its being properly conducted. For this purpose a special selection of the agents employed, and their entire devotion to the work in hand, seem indispensable. The district officers may or may not be possessed of the particular qualifications required; and the evils arising from want of judgment or want of experience, in a matter which will determine the well-being of numerous communities for an indefinite time to come, are so serious that nothing should be left to chance. The putwarees, zemindars, and ameens are liable to similar error, besides often being interested parties, and being in too many instances open to corruption. An effective superintendence over such subordinate agents is indispensable, and the superintendence cannot be effective if it is not based upon practical experience and suitable personal qualities.

Several paragraphs of Mr. Drummond's Minute are directed to the objection that, as regards lands which have not yet, but may hereafter, benefit by the extension of canal irrigation, the Government will, by a permanent settlement, apparently forego all right to any future additional revenue. I cannot admit the validity of any such objection; but, as I have already said, all I have to say upon the subject in a Minute, dated the 30th of October last, on the question of the applicability of private companies to works of irrigation, I will confine myself to a quotation from that Minute:—

"When I was on my official tour in the Godaveri and Kishna districts, I held repeated conferences with the collectors, settlement officers, and the most intelligent of the native revenue officers on this subject; and after my return to Madras, I submitted the conclusions at which we had arrived to the revision of my colleagues in council. One main object distinctly kept in view was, so to simplify and facilitate the collection of the water rate, that it might be easily dealt with either by the Government or by a private company, and I have not heard that the subject has since been attended with any difficulty in Madras. The result was the establishment, in the Madras Presidency, of the system which has been accepted by the Secretary of State, and prescribed by him for adoption in Cuttack. This is based upon a complete separation of the land tax from the water rate. The former was regulated by the rates prevailing in the Madras Presidency according to the nature of the soil, without any reference to the supply, or absence of supply, of water; that is to say, land of equal quality would be equally taxed, whether it was watered by the rain, or by wells, or from irrigation works. The water rate was fixed with due regard to the profit to be derived from the use of the water, but at so low an average as to leave the ryot a considerable advantage. It was ascertained, by the result of an extensive inquiry, that the fertilising qualities of the water on the different descriptions of soil of which the Deltas of the Kishna and Godaveri are composed, were so nearly equal, that an uniform water rate could be imposed.* This may not be always possible, but the tendency should be to disregard minute distinctions, and to make the charge for water uniform over certain areas, as proposed by Mr. Muir. As the permanent settlement is extended, one element of uncertainty will be obviated, because the land tax will be fixed, and only the water rate will remain to be adjusted."

Since this was written, another Despatch has been received from the Secretary of State, re-affirming this principle of requiring the payment of a full water rate entirely distinct from the land tax.

Reference is made in the papers to an able and exhaustive Minute of Mr. William Muir on the expediency of forming a permanent settlement of the North West Provinces, and to a Minute of the Lieutenant Governor's upon it, dated the 27th May 1862; but we

are

* A *précis* of the Madras Correspondence, ending with the orders of the Secretary of State, is enclosed.

are happily no longer under any necessity for entering at large upon the various general questions connected with the permanent settlement of the Land Revenue. The comprehensive and carefully matured Despatch of the Secretary of State, dated the 9th July 1862, has since been received. This contains definite instructions as to the course to be adopted; and all that is required is to give practical effect to them, which the present members of the Board of Revenue at Allahabad, and the many able officers acting under them, are well able to do. It is very desirable that the operations towards this great end should be systematically prosecuted with as much speed as may be consistent with efficiency. The paragraphs which more immediately bear upon the North West Provinces are the 64th, 65th, 72nd, and 73rd; and as attention cannot be too often or too distinctly called to the subject, I will finish what I have to say by transcribing them:—

“64. There are, doubtless, parts of the North West Provinces, and probably of the Punjab, where so large a proportion of the soil was already under cultivation when the existing settlements were made, that, assuming the rates of assessment to have been fairly adjusted to the capabilities of the land, little or no increase can be expected in the revenue on the revision which will take place on the expiration of those settlements. Such districts, provided that the assessment is not only adequate in amount, but also equally distributed, may be considered to be in a condition in which the introduction of a permanent settlement might properly be permitted.

“65. In other parts of these provinces a large proportion of the land is still uncultivated, and does not consequently yield to the public Treasury a return commensurate with its prospective capabilities; while in recently acquired territories, such as Oudh and Nagpore, which are still unsurveyed, no means exist for determining either the adequacy of the amount, or the equality of the pressure of the present assessment.

* * * * *

“72. I have therefore to announce to your Excellency in Council, as the result of the foregoing considerations, that, as regards all districts or parts of districts in which no considerable increase is to be expected in the Land Revenue, and where its equitable apportionment has already been, or may hereafter be, ascertained to your satisfaction, Her Majesty's Government will be ready to sanction, on your recommendation, or that of the Local Government supported by you, the settlement in perpetuity of the assessment at the present or the revised rates.

“73. I have accordingly to request that you will place yourselves in communication with the several Local Governments, in order to ascertain from them the extent to which, in their judgment, it may be expedient to apply this important measure to the territories under their immediate administration. In the North West Provinces, where the revision of the thirty years' settlement has already commenced, it is possible that several districts are now in a condition to justify immediate action. In the Presidency of Madras, the result of the survey and settlement operations, which have been recently commenced, will show how far the districts have yet attained the condition contemplated by Sir Thomas Munro, in the extract already quoted, as warranting the establishment of a settlement in perpetuity; while, in the revised portions of the Bombay Presidency, it will probably be deemed prudent to await the expiration of the thirty years' leases, which will begin to expire in three or four years, before taking any steps for giving permanency to existing arrangements.”

(signed) C. E. Trevelyan.

MINUTE by Major-General the Honourable Sir R. Napier, K.C.B.; dated
31st January 1864.

As far as I can form an opinion on the subject of the Lieutenant Governor's proposals, I concur with the remarks of Messrs. Harington and Grey.

With reference to the original point from which the correspondence arose, namely, the remarks of the financial member of the Government when submitting his annual Budget, which Mr. Muir appears to have misunderstood, Mr. Muir might have been told, through the Lieutenant Governor, that his views on the important topic under the consideration of Government would receive full consideration.

(signed) R. Napier.

MINUTE by the Honourable H. S. Maine; dated 4th February 1864.

SINCE reading through these papers which, with the exception of Sir Charles Trevelyan's Minute, are now of somewhat old date, I have been informed by my honourable colleague, Mr. Harington, that he has learned, from conversation with his Honor the Lieutenant Governor of the North Western Provinces, that the plan to which they refer has been either abandoned, or very considerably modified after communication with the Sudder Board. I do not, therefore, think that there will be advantage in my adding anything to a series of documents which cannot now eventuate in any practical step or result.

I imagine

I imagine that Mr. Drummond's Minute was scarcely written in anticipation of the close criticism it has received. The project to which it refers had not been much matured, and the language as to Act X. was, perhaps, hasty.

(signed) *Henry S. Maine.*

PERMANENT SETTLEMENT.

MINUTE by the Viceroy and Governor General.

1. THE papers which are now to be disposed of relate to a Minute by the Honourable the Lieutenant Governor of the North Western Provinces, dated the 20th July last, on the subject of carrying out the Permanent Settlement in those provinces. The minute has been circulated for the opinions of the Governor General's Council, which opinions have now been recorded.

2. The minute embraces two proposals: 1st, for the establishment of a board of settlement; 2nd, for the revision of the assessment of the land revenue through the agency of the ordinary district officers.

3. I concur with my Honourable Colleagues in considering that both these proposals require further consideration on the part of the Government of the North Western Provinces in consultation with the Sudder Board of Revenue. It appears further that the Lieutenant Governor is actually now revising his plans in communication with the Board. My remarks, therefore, on each point may on the present occasion be brief.

4. In regard to the proposed board of settlement, I am clearly of opinion that such a board will not be necessary. The object contemplated by the Lieutenant Governor in making this proposal is the final testing of the revised assessments in each district previously to their being declared permanent for ever. Now the importance of thus testing the assessments may be fully admitted; but for this object we have already a machinery which is the best obtainable, and is much superior to any such board of settlement as that proposed. There are already the Commissioners of Revenue in the several divisions of the North Western Provinces; there is the Sudder Board of Revenue at Allahabad. It is impossible to have a better supervising and testing agency than this. These high officials are appointed for this express purpose, and I cannot doubt their proving equal to the duty; they are on the spot; they have the best local and general experience: they have ample time for the work. Indeed, I understand that, whenever, of late years, the retention or abolition of some or all of the commissionerships, or of one out of the two members of the Board, has been discussed on financial grounds, it has been held that the present numbers of the Commissioners and Members of the Board ought to be maintained for the particular reason that they are all needed for the work of the approaching permanent settlement. Primarily, therefore, the supervision of the revised settlements must rest with the Commissioners in their respective divisions, under the general direction of the Board. The final testing which the Lieutenant Governor is justly anxious to secure may be very properly carried out by the Members of the Board while on the circuits which are annually undertaken.

5. I would here, however, impress on the Board and on the Commissioners the importance of their giving their whole mind to this great matter of supervision and testing the settlements. The Commissioner should not content himself with merely criticizing when the work is wholly or partly done, but should watch it through every stage of its progress, and rectify every error in practice as fast as it becomes apparent; he should also keep the Board thoroughly informed of the progress of the work. The final proceeding on the Commissioner's part is the submission of the Settlement Officer's Completion Report to the Board. Before according their final approval to the settlement, the Board should communicate personally with the Commissioner, and ascertain from him unreservedly all the conclusions which he may have been able to form. Either the Commissioner can arrange to attend on the Board with his Settlement Report, or else the Board can meet the Commissioner on circuit, so that all the main points in the settlement or in the report may be verbally discussed.

6. In respect to the revision of assessments through the agency of the ordinary district officers, I fully concur in thinking that this agency should be employed in preference to any other, *wherever* the district officers are competent for this particular work, or may be able to afford the time requisite for it. In some districts they have been, and in others they will yet be, found so competent; but I apprehend that they will probably not be so in all. It by no means follows that the collector will always be able to undertake the regular revision of settlement in addition to the charge of his district. If he can, then so much the better; if he cannot, then a separate and duly qualified settlement officer must be appointed. Where a separate settlement officer may be appointed, he should be an officer of adequate experience; and the allowances should be specially fixed with reference to his standing in the service, so as to secure his services in the department so long as they may be required. It were better to avoid appointing junior officers to the important

office of settlement officer. If the settlement be entrusted to the collector, then a settlement officer, or an assistant for settlement, might be appointed under him. Such an officer might conduct the field measurement and such like preliminary operations; the collector might himself do the assessment, leaving it to the settlement officer or the assistant to arrange all details necessary in respect to the tenures, and to adjust the *quotas* of the new assessment to be paid by members of the village communities. As a rule, the assessment of a district can be done in a more leisurely manner if it be made by the collector than if it be made by a separate settlement officer, and there are often advantages in this particular work being done gradually. If the collector spread the work over two or more years, it is of less moment; but a settlement officer, being a separate and special officer, must need show considerable results in each year, and this may sometimes lead to the work being done too rapidly.

7. I may also take this occasion of stating, that I fully concur with the Lieutenant Governor that, "as regards lands which have not yet, but may hereafter benefit by the extension of canal irrigation, the Government will, by a permanent settlement, forego all right to any future additional revenue."

I also agree with his Honor in considering that, "so far as Government is concerned, if the market value of water supplied from canals at the full cost of construction, or a fair annual interest on that cost is recovered, the fact of increased productiveness from canal irrigation seems to constitute no stronger ground of claim to participate, than enhanced profits from the opening up of railways, or any other circumstance of general progress and development."

8. There may be other points in the Lieutenant Governor's Minute, to be noticed hereafter; but having thus disposed of the main administrative points, I desire to add some further observations regarding the mode of carrying out the permanent settlement in the North Western Provinces.

9. While the correspondence now under consideration was pending, I had the advantage of discussing verbally with the Lieutenant Governor the best mode of applying this important measure to the North Western Provinces. His Honor did, afterwards, at my request, mention my views to the Sudder Board of Revenue at Allahabad, and I have received an expression of the Board's general opinion thereon. I apprehend, however, that the various points involved have not yet been fully brought out, and I will take this opportunity of placing the matter in its true light, according to my view.

10. It is not now necessary to advert to the reasons for and against a permanent settlement in India. It has been decided by Her Majesty's Government that the measure shall or may be introduced into those parts of India which fulfil certain conditions laid down as necessary for its reception. Nor is it necessary to recapitulate those conditions here, as they are fully stated in the Secretary of State's Despatch of the 9th July 1862. It is generally admitted that, with one or two exceptions, such perhaps as Goruckpore, the districts in the North Western Provinces do, in whole or in part, fulfil those conditions, and are therefore entitled to the benefit of a permanent settlement. It is clear also, that before the assessment in any district is declared permanent for ever, it ought to be finally revised; and that, as the term of the present 30 years' settlement in each district draws to a close, the opportunity should be taken of revising the assessment finally, with a view to its being declared permanent for ever.

11. But I apprehend that in parts of the North Western Provinces there will be whole tracts of greater or less size, or sets of villages or individual villages, which are more backward than others, and less cultivated than neighbouring tracts, which fail to fulfil the necessary conditions for permanent settlement, and which are, therefore, not yet entitled to that permanency of assessment which may be granted to other places.

12. Now I by no means consider that if the permanent settlement be applied to a district at all, it must therefore be applied to the *whole* district at once; or that, if the measure be allowed at all, it must be extended to at least some considerable tracts; or that it is not admissible to select some tracts, or some individual villages, as entitled to permanency of assessment, and to reject others in the same neighbourhood as being not so entitled. It by no means follows, because a district *generally* is cultivated and improved up to a high standard, that every part of it, or every village in it comes up to that standard. Therefore, it seems to me necessary to select those villages or estates which are fit for permanent settlement, and to postpone the measure in those which are not so fit; unless this be done, then the result must be, either that the measure would be postponed indefinitely until every estate in the district reached a prescribed standard (which in many cases might never be attained); or else that some superior estates would be denied the boon because some estates in their neighbourhood were inferior; or else that some estates, which did not fulfil the conditions, would nevertheless be permanently settled because they were situated in the midst of a district which generally did come up to the standard. Unless, therefore, the principle of selection be adopted, I apprehend that in many cases there would either be an undue sacrifice of revenue by some villages being admitted to permanent settlement without being fit for it, or else there would be a sacrifice of the rights of the people, who, though fit for the permanent settlement, would be denied the boon because some of their neighbours were not yet fit.

13. The above remarks are, doubtless, applicable to parts of the North Western Provinces,

vinces, and to some villages in many of the districts of those provinces; they are probably still more applicable to other parts of the Bengal Presidency, such as the Punjab, Oude, and the Central Provinces.

14. But in those tracts, or in those villages which are not yet fit for permanent settlement, it is still of importance to pave the way for the introduction of that measure, and to afford to the people the advantages which arise from the prospective limitation of a demand which is never to exceed a certain specified amount. If this can be done, then the owner of an estate, which is for the present temporarily settled for a fixed period, will yet know that, after the expiry of such period, there is a certain limit above which the assessment will never be raised; that if he improves up to a certain standard, he will be assessed up to a certain sum and no more; and that, whatever improvement may ever thereafter be effected, there will be no further increase of demand. Such an estate, while settled temporarily for a fixed term, would thus have the benefit of a permanent settlement in prospect after the expiry of that term. If such an arrangement could be effected, it would carry with it the same advantages, and be justified by the same reasons as the permanent settlement itself. I believe that it might be carried out in the following manner.

15. The estates or tracts not yet fit for permanent settlement will be those where (in the terms of the Secretary of State's Despatch) a large proportion of the land is still uncultivated, and which do not yield to the public treasury a return commensurate with their prospective capabilities. In this respect then, our concern will chiefly be with estates in which there is much culturable land still uncultivated, or in which the cultivation is inferior to what it might be, or in which the general resources of the estate are not turned to the best account. Such estates are, according to the present system, assessed for a period of 30 years upon their existing assets, that is, upon their cultivated area as it now stands. In this manner the assessment is made for the whole estate, including both the cultivated lands and the lands fit for cultivation, though uncultivated. Sometimes, when the culturable land is particularly good and likely to be soon brought under cultivation, or where it yields some valuable produce, such as superior sorts of grass, fuel, and the like, something may be added to the assessment of the whole estate; but, generally, the proportion of the assessment of an estate due to the culturable land is not large, and *in the main*, the assessment is fixed with reference to the present cultivated area. It is reasonably expected that the assessment having thus been fixed for 30 years, the landholder will have every inducement to bring the culturable land under cultivation, or otherwise develop the resources of the estate; if he do so, then no assessment is to be demanded on such additional cultivation or development for 30 years; and any claim on the part of Government for revenue on such additional cultivation is put off till the next settlement.

16. But although little revenue in any case, and in some cases no revenue at all, can be demanded for 30 years on the culturable land, still it may be quite practicable to *now* fix the maximum or full assessment demandable on such estate, supposing that its resources were fully developed. This might be done separately, and there would thus be two distinct sums assessed, *viz.*, *firstly*, the sum fixed on existing assets, and to be paid during the 30 years' settlement; and, *secondly*, the full sum ultimately assessable on the estate, supposing its resources to be fully developed, which sum would be the maximum demandable at the next settlement, provided that the landholder were willing to accept it. This latter would give the highest sum ultimately demandable from the estate according to the principles of a moderate assessment, and, when once this be accepted, then the assessment might properly be declared permanent. Thus a landholder would have his assessment fixed for 30 years certain upon his existing cultivation; he would also know the maximum assessment to which his estate would be liable if it were to become fully developed.

17. If, on the expiry of that term of settlement, he shall accept the full assessment or highest sum above described, then he may do so without any further inquiry or re-settlement, and the assessment so accepted will then be declared permanent. But it would not be obligatory on him to accept this additional assessment.

18. If he objected to do so then the estate would be re-settled after inquiry in the usual way, on the assets and the cultivation as they might be found to exist at that time. Only it would not follow that the assessment thus made on re-settlement would be declared permanent. If it were less than the maximum previously fixed, it would not be so declared.

19. To illustrate the above, let us suppose an estate assessed at 1,000 rupees on its assets as they now stand at the revised settlement; suppose also that it possessed either culturable waste or other undeveloped resources, and that the full assessment which the estate might ultimately be capable of bearing were fixed at 1,500 rupees (fifteen hundred). Thus the estate would now be assessed at the thousand rupees for the term of 30 years certain; the landholder would be told that 1,500 rupees had been calculated as the maximum demandable on the whole estate at the next settlement, and that if at the *next* settlement he chose to accept that he might do so without further re-settlement, and that the 1,500 rupees would thereafter be declared to be a permanent settlement; and the sum of 1,500 rupees would be recorded as the maximum which Government would ever

demand from the estate. If, after the expiry of the settlement now to be made, that is if 30 years hence he should object to pay the 1,500 rupees, then the estate would be re-settled on the assets as they might then exist.

20. It is to be observed that there would be no difficulty in valuing the culturable lands. At the revision of settlement now being made, we possess full particulars by survey of these lands, as of all others; and their capabilities and resources, according to the circumstances of the present time, and in comparison with the actually cultivated lands, are perfectly well known to the settlement officers. The revenue rates at which they would be assessable, if now cultivated, could be well fixed, and, indeed, would be analogous to the rates of the several kinds of cultivated lands. So, also, if such lands possess other valuable resources, such as grass of the superior sorts, fuel, or the like, which under certain circumstances would bring a large profit, the value of all this can be fairly estimated. Still it may be admitted that to assess now the revenue demandable 30 years hence on culturable or other waste is an operation requiring care. Unless some guiding principles were observed there would be the chance of error; and possibly the assessment now fixed would be unduly light compared with that of cultivated estates, and hereafter might appear too low. To guard against this, then, I would propose some such principle as follows.

21. Under the present system a district is divided by the settlement officer into so many tracts. Each tract comprises estates of a similar character; there may be variety of detail amongst the individual estates, but there will be a generic resemblance between them all in respect to those main features which determine their value, such as character of soil, kind of produce, means of irrigation, facility of transport, proximity of markets, supply of labour, breed of cattle, their fiscal history, and the like. Some estates will be better cultivated than others; in some the resources will be better developed than in others; but the inherent capabilities of the estates are much the same, and therefore they will, or at least ought to, be able to pay much the same revenue rate per acre all round. Those estates which, being imperfectly developed, cannot yet pay this general rate will in due course be able to do so when fully developed.

22. Now, inasmuch as it is laid down that the land tax in an estate ought to be equal to half the assets received by the landlord, or, in other words, half the rent or other income derivable by the landlord from the land, it follows that the best possible basis for the revenue assessment is the rental. If the fair rental could be readily ascertained, it would supply perfect data for such assessment. But it is often difficult or impossible to ascertain accurately the fair and proper rent which a landlord does receive or should be receiving from an estate. The returns of rent are frequently defective or untrustworthy. Again, many items of *bonâ fide* income from the land are not fully exhibited in the declared rental. In some parts of the country average rent rates exist, and are well known; these furnish excellent guides for the valuation of estates. But in many portions of the country, especially where the proprietary body for the most part cultivate their own lands, rent rates are not generally known. Thus it happens that the settlement officer, while collecting and collating all obtainable statistics in regard to rent, must yet check or supplement the returns of rentals by assumed rates, which rates are deduced from the ascertained value and proceeds of the land. In this manner assumed rent rates and assumed revenue rates are obtained. In order, therefore, to determine details in each estate there will be various revenue rates of assessment assumed by the settlement officer; such as a rate for irrigated ground, another for unirrigated; a rate for land fertilized by inundation, another for dry land; a rate for black soil, another for poor soil; and so on. So also there will be one rate for cultivated land generally, and another for culturable though uncultivated land. It is not to be expected that all the culturable land will be cultivated, or that all the culturable land should pay the full rate of assessment on cultivation. A fair margin of culturable land will be allowed to the landholder, which should be assessed at some rate much lower than that of the cultivated area. The rate assessable on culturable land must be low. If the proportion of culturable land to the cultivated land be small, then the estate, being for the most part cultivated, will be fit for a permanent settlement. If the proportion of culturable land be large, then the estate, being less cultivated, will not be fit for permanent settlement. It may be generally assumed that those estates in which four-fifths of the culturable area are cultivated are fit for a permanent settlement.

23. Then, having regard to all the circumstances of the tract, to its past history, its present condition, its future prospects, to its actual or probable rental so far as that might be ascertainable, to the irrigation, the kinds of soil, the resources of the waste, and the like, allowing also for lands for pasturage and other necessary objects which might be left free of land tax, the settlement officer would fix one general revenue rate per acre for the total culturable area, including land actually cultivated and land yet remaining to be cultivated. There would be various rates, as already mentioned, for the determination of details in each village; but the general acreage rate, as above described, would be the main standard by which the estates would be valued either in the present or for the future. This general acreage rate would be fixed on a fair and moderate calculation, so that the average of well-cultivated and developed estates would be able to pay it.

24. Regard would also be had especially to the fiscal history of the tract, to the actual pressure of the revenue upon the estates of a fair average quality, so that the estimates

of the assets of the estates may be checked by the data of positive experience. This general acreage rate then, being the standard of valuation, the land revenue for all the estates in the tract would be fixed according thereto. The revenue (juma) would be assessed accordingly for each estate, whether it were fully or imperfectly cultivated, or whether it were partly or chiefly waste. Thus there would be obtained a fair valuation of the actual or the possible assets, and of the present or prospective capabilities of each estate; for those estates, then, in which the proprietors might accept the assessments ("juma") thus fixed, the said assessment might properly be now declared perpetual. For those estates which did not come up to this standard, and in which the proprietors could not accept the assessment thus fixed, a settlement would be made on existing assets for thirty years certain; but still the assessment (juma), according to the ultimate valuation, would be recorded, and the proprietor would be informed that, if after the expiry of the 30 years he should accept the ultimate juma as now assessed, he might do so without further inquiry or re-settlement, and that that assessment would be thereafter perpetual.

25. The proposed rules may be thus illustrated: let us suppose a tract containing villages of generally the same character, but in various stages of cultivation; let a rate of three rupees per acre be assumed for the best cultivated or irrigated lands, *Rs.* 1. 8. for the second best, and 4 annas for land culturable, but not yet cultivated. Let us suppose also that the settlement officer has decided on *Rs.* 1. 8. per acre as the general acreage rate above described for the whole culturable area, including both land cultivated and land remaining to be brought under cultivation.

26. Then let us take Estates A., B., and C., which are well cultivated, but which have differences in detail. It will be understood that the unassessed land, such as unprofitable waste, site of village, land exempted from revenue (commonly called rent or revenue free) and the like, are in all cases excluded, so that only the Malguzaree or assessable lands are included.

Estate A.				
<i>Acres.</i>		<i>Rs.</i>		<i>Rs.</i>
75	×	3	=	225
350	×	1-8	=	525
75	×	0-4	=	19
500				769, assessment on present assets, or by general acreage rate, acres 500 × 1-8 = <i>Rs.</i> 750.

Estate B.				
<i>Acres.</i>		<i>Rs.</i>		<i>Rs.</i>
83	×	3-0	=	249
317	×	1-8	=	475
100	×	0-4	=	25
500				749, assessment on present assets, or by general acreage rate, acres 500 × 1-8 = <i>Rs.</i> 750.

Estate C.				
<i>Acres.</i>		<i>Rs.</i>		<i>Rs.</i>
50	×	3-0	=	150
390	×	1-8	=	585
60	×	0-4	=	15
500				750, assessment on present assets, or by general acreage rate, acres 500 × 1-8 = <i>Rs.</i> 750.

27. Now, in these estates the assessment on the present assets about equals that of the ultimate valuation, and might now be declared perpetual. On the other hand, it leaves a fair margin for improvement. The proprietors may convert, by irrigation or other means, a portion of their second class land into first class, or they may bring the culturable under cultivation, and thus much enhance the value of the estate, and still there will never be any increase of demand.

28. Next, take an estate in a slight degree inferior, as D.

Estate D.				
<i>Acres.</i>		<i>Rs.</i>		<i>Rs.</i>
75		3-0	=	225
325		1-8	=	487
100		0-4	=	25
500				737 assessment on present assets, or by general acreage rate, acres 500 × 1-8 = <i>Rs.</i> 750.

In this case the estate is only just below the proper standard. The proprietor may be assessed at the 737 rupees for 30 years certain, and at the next settlement he knows that he may accept the 750 rupees, which will then be declared a perpetual assessment without further inquiry; so this estate virtually has all the advantages of a permanent settlement.

29. Next, take two estates, E. and F., which are not fully developed, though possessing similar capabilities.

Estate E.

<i>Acres.</i>		<i>Rs.</i>		<i>Rs.</i>
100	×	3-0	=	300
150	×	1-8	=	225
250	×	0-4	=	62
500				587, assessment, on present assets, or by general acreage rate, acres 500 × 1-8 = <i>Rs.</i> 750.

Estate F.

<i>Acres.</i>		<i>Rs.</i>		<i>Rs.</i>
100	×	3-0	=	300
200	×	1-8	=	300
200	×	0-4	=	50
500				650, assessment on present assets, or by general acreage rate, acres 500 × 1-8 = <i>Rs.</i> 750.

30. Now Estates E. and F. would be assessed at 587 rupees and 650 respectively for 30 years certain; but the 750 rupees would in each case be recorded as the ultimate standard of valuation, and the proprietors would know that if, after expiry of the term, they should choose to accept the 750 rupees, they might do so without further inquiry, and that this amount, viz., 750 rupees, would thereafter be declared perpetual; but they would know also, that, if they should not accept the 750 rupees on expiry of the 30 years, they might still claim a re-settlement on the assets which might at that time be existing.

31. Or, further, take an estate of similar capabilities, but less developed, as Estate G.

Estate G.

<i>Acres.</i>		<i>Rs.</i>		<i>Rs.</i>
50	×	3-0	=	150
100	×	1-8	=	150
350	×	0-4	=	87
500				387, assessment by present assets, or by general acreage rate, acres 500 × 1-8 = <i>Rs.</i> 750.

Now suppose that in this case the proprietor is a man of some capital and enterprise; then, while assessed at 387 rupees for 30 years certain, he knows that, if he shall largely improve his estate, he will never have to pay more than 750 rupees, and that, after the expiry of the term, he may accept this amount without further inquiry; but that, if he should not be in a position to accept this assessment, he might still claim a re-settlement on the assets which might then be existing. The assurance of a known ultimate limitation, which might be optionally accepted, would prove a great encouragement to his industry.

32. Or again, take an estate in which the assessment by assets brings out a larger sum than by the general acreage rate, as Estate H.

Estate H.

<i>Acres.</i>		<i>Rs.</i>		<i>Rs.</i>
200	×	3-0	=	600
250	×	1-8	=	375
50	×	0-4	=	12
500				987, assessment on present assets, or by general acreage rate, acres 500 × 1-8 = <i>Rs.</i> 750.

Now here it would be for the settlement officer to decide whether, before declaring a permanent assessment, he would allow a reduction below the amount given by present assets;

assets; though that amount may not in this case be in one sense excessive, still the high valuation arises evidently from the expenditure of capital on the first-class land; and if it be desired that the land tax should not press hard on agricultural capital, then some assessment more nearly approaching to the 750 rupees would be proper. Whether the assessment should be brought down quite so low as 750 rupees would depend on special considerations, such as the amount which the estate had been previously in the habit of paying, the presence or otherwise of exceptional advantages in respect to irrigation, and the like. It is evident that, practically, there can be no need to reduce unduly the revenue in villages which have flourished under a higher assessment.

33. It appears to me that the plan, as thus illustrated, would confer many of the advantages of a permanent settlement on the holders of estates not yet fully cultivated or developed; while on the other hand, it would save the State from any undue sacrifice of revenue. We may remember that while the advantages of a permanent settlement are manifest, yet it has two fiscal drawbacks, namely, *first*, the surrender of revenue on the increased value of crops and improved cultivation; *second*, the surrender of revenue on lands culturable, or on waste possessed of valuable resources, which may hereafter be brought under cultivation, or be otherwise turned to useful account. It is agreed that the State may surrender properly the future revenue from improvement in the crops, and in the style of cultivation, in consideration of the advantages derived from a permanent settlement; but the surrender of future revenue from the cultivation of land now uncultivated, or from the development of resources now undeveloped, cannot be advocated; and the plan I now propose would save the State from any such sacrifice.

34. But as regards the people, the plan would have the advantage of supplying a motive and incentive to industry and enterprise, inasmuch as the landholder, while obtaining a fixed assessment for 30 years at all events, would know the utmost limit of possible revenue which might be demanded after the expiry of that term. It is this prospective limitation, even *after* the expiry of the term of settlement, which is the particular advantage of the plan now proposed, and which is calculated to ensure many of the benefits that evidently attend any permanent limitation of demand.

35. Doubtless a settlement for any long fixed term does so far stimulate industry and improvement. A man knows that if he improves his estate he is safe from increased assessment for 30 years. But still he knows that after that term there will be enhancement of revenue on account of improvements, though how much that will be he does not know. An indefinite prospect of increase at the next settlement is present to his mind. It is certain that this apprehension does in some degree retard improvements, and is specially operative as the term of settlement draws to a close. Moreover, he knows that, though he is safe from inquiry for 30 years, yet *after* that he will be liable to re-settlement, and his assets will be inquired into: this knowledge also in some degree does practically deter people from effecting as much improvement as they otherwise would. But with the proposed plan, the future revenue on increased cultivation or improvement at next settlement would not be indefinite, but on the contrary, would be strictly limited, not only for the next settlement, but for all time thereafter. Nor would there be any apprehension of re-settlement and future inquiry; on the contrary, it would be known that, if the maximum assessment were accepted, there would be no re-settlement and no future inquiry. Thus a man would know that he was safe from increased demand for a fixed term, and that, after that, he would not be charged with more than a certain limited increase, however much he might improve his estate now or hereafter. There can be no doubt that such a prospect would promote exertion and enterprise, both during the 30 years and during the period after that; the advantages would be quite intelligible to the people, and would probably be appreciated by most of them; and if the maximum increase had previously been fixed at fair and moderate rates, it would probably be accepted without any further inquiry being asked for. To those who had sufficient intelligence and foresight to appreciate the advantage a powerful stimulus would be supplied; and those who did not appreciate it would in no wise be obliged to accept the terms. No increase would be demanded of them, without inquiry, at the next settlement. If they did not accept the maximum previously fixed, they might have a fresh inquiry, and a re-settlement would be made according to that.

36. In short, the question may be put thus:—

Every intelligent landholder under a temporary settlement, who improves his estate, knows that at the next settlement there will and must be an increase of revenue.

Will a man, then, foreseeing this, prefer an indefinite prospect of unknown increase, *with* re-settlement and inquiry, which would be the case without the plan now proposed?

Or would he prefer a known fixed increase which would never under any circumstances be enhanced, and which might be accepted without re-settlement and inquiry, which would be the case with the plan now proposed?

I think that he would certainly prefer the latter, and that he would be thereby induced to improve his estate.

37. It may be objected to this plan that there will be difficulty in now assessing the revenue to be paid in future on culturable lands not yet cultivated, and that the ultimate maximum demand will be liable to error. But practically, it is possible to assess on culturable waste the revenue which such waste would pay if it were now cultivated, and

the assessment so fixed would not be materially different from that which is fixed on lands already cultivated. The one, therefore, would be as trustworthy as the other, and both may equally be made the basis for a permanent limitation of the demand. The various kinds of soil in the culturable waste will be the same as those in the cultivated lands. The produce which the culturable land could bear, if cultivated, is well known from the analogy of the cultivated lands in the immediate neighbourhood. A decision, therefore, of what the culturable waste ought to pay, if cultivated, is nearly as valid as the decision of what the cultivated lands are now to pay. It may be that the assessment now fixed on culturable land will, some 30 or 50 years hence, appear light, when those lands shall have become cultivated, owing to the outlay of capital, the general improvement of the country, the opening out of roads and markets, and other changes. It is true that the effect of such changes cannot be fully foreseen; but that would not really be an argument against the assessment being now fixed on the data of the present day. Let such an assessment be made. If hereafter the people can so improve the land, or if the general condition of the country can be so much raised that this assessment shall prove comparatively light, then they are, upon the fundamental principle of a permanent settlement, entitled to the benefit thereof. If the assessment now fixed on culturable waste shall prove too high, the people are not bound to accept it. If they choose to accept it hereafter, they are entitled to the profit therefrom derivable, by the same reasons for which the boon of permanent settlement is conceded.

38. I have given my attention to the remarks in paragraph 12 of Mr. Muir's second Minute regarding the permanent settlement, as bearing on this subject. It is there said: "The object of native proprietors is not so much to obtain a permanent assessment as to obtain a permanently *low* assessment."

I feel the force of this remark, though I think it goes somewhat too far. I would rather say that the landholder scarcely hopes to obtain a permanently low assessment. What he looks to is to obtain a fairly moderate assessment according to the value of land at the present time, and then to get that made permanent for all future time, so that he may improve, without fear of enhancement. Now the plan proposed, while guarding the revenue against undue sacrifice, will yet fix a limit, beyond which enhancement can never go.

39. Again, in the same paragraph it is said—

"The proprietor is told that his estate is not sufficiently advanced for permanent assessment; that he is to go on improving it; and that, when the cultivation has reached certain limits, the revenue then assessed will be fixed in perpetuity. This is in effect to expect that the proprietor will strive to accomplish results the direct tendency of which will increase the demand of Government against him."

Here, also, I feel the force of the remark, but still I think that it goes too far. Every proprietor has known well that, if he improved his estate, there would surely be increased demand on his estate. Notwithstanding that, the landholders have improved, and do still continue to improve, their estates. We *might* therefore expect them to accomplish results which would increase the Government demand, inasmuch as they would themselves profit in even a greater degree. But, so far as the argument has force at all, it is met by the plan proposed, for, in the case supposed, namely, that of an estate not sufficiently advanced for permanent settlement, the proprietor knows beforehand the utmost limit of future enhancement. If that be moderate, then he knows that, on working up to that, he will get a permanent settlement, and that, however much he may work *beyond* that, the gain is all his own, as there can be no further enhancement.

40. It may be thought that the native landholders are by idiosyncrasy and character disinclined to *work up to* a certain pitch of improvement, even though there be hope of thereby obtaining a permanent settlement. It seems to me that this will entirely depend on whether the ultimate limit of demand be moderate or not. If it be *not* moderate, or if it be excessive, then of course the proprietor will not work up to it, because it would be against his interest to do so. If it *be* moderate, or if it be light, then he may be expected to work up to it, because he knows that, having once done that, he will thereafter secure to himself the exclusive benefit of further improvement.

41. Again, it may be thought that the people would regard the known limit of increase as the consequence of improvement, and would, therefore, keep improvement just below that limit, so as to avoid the increase. But any such idea on the part of the people would be a mere misapprehension. If a proprietor did not think it worth his while to accept the maximum assessment without inquiry, and considered that he had not effected enough improvement to justify the increase, then he has only to decline it, and to claim a re-settlement on the assets of that time; but then such re-settlement would not be permanent, unless the assessment came up to the amount originally fixed; if it were less than that, it would be fixed only for a specified term.

42. If it be thought that the people are not intelligent and far-sighted enough to appreciate the prospective advantages of the plan proposed, then I have to observe that, as these advantages are cognate to those of the permanent settlement itself, the people might be expected to appreciate the one as much as the other. That the people really understand a permanent settlement, and set a higher value on land so settled, seems to be established beyond a doubt.

43. Such

43. Such, in general terms, is the manner in which I should wish to see the permanent settlement carried out in those portions of the Bengal Presidency which are not yet permanently settled, such as the North West Provinces, the Punjab, Oude, and other places; and I believe that by these means we shall best be able to apply the principles, so justly insisted on by Her Majesty's Government, to the actual circumstances and condition of this country.

(signed) *J. Lawrence.*

The 5th March 1864.

MINUTE by the Honourable *H. B. Harrington*; dated the March 1864.

THE points touched upon in the earlier portion of the Minute recorded by the Governor General on the subject of the introduction of a permanent settlement in the North Western Provinces have already been discussed in previous notes.

As regards the agency to be made use of for revising the present settlements with a view to the government demand being declared permanent, wherever this can be done with a due regard to the public interests, I have nothing to add to the remarks contained in my former note.

Where the district officer is competent, I quite agree that he should be employed on the duty in preference to any other officer, particularly if he has been officially connected with the district for any length of time; and it would be well that his services should be secured until the work is completed by keeping him, as regards his emoluments, on a par with his contemporaries, in order that he may have no excuse for seeking promotion elsewhere.

But when the district officer is thus employed, care should be taken that he is provided with such an amount of subordinate agency that while, on the one hand, the work of the settlement is not retarded by reason of the other duties to which the district officer will have to give his attention, on the other no inconvenience and delay will be occasioned in any other department owing to the large quantity of the district officer's time which will necessarily be taken up in the discharge of the important duties connected with the settlement.

Her Majesty's Government having determined that a permanent settlement shall be introduced wherever the state of the country fulfils certain conditions, it only remains to be considered what measures shall be adopted with a view to give effect in the best mode, and at the earliest possible period, to the decision so far as the North Western Provinces are concerned.

I have already expressed it as my opinion that, with exception, perhaps, to the four districts marginally noted, the settlement of which has recently undergone revision, none of the other temporarily settled districts in the North Western Provinces could be admitted to the benefit of a permanent settlement without a full and careful revision of the current settlement to be made very much in the same detail, in the same mode, and by agency of the same character as the settlements now in progress. I understand this to be also the view of the Governor General.

Seharunpore,
Boolundshuhur
Mozuffurnugger,
and Goruckpore (as
regards Goruckpore, see the next paragraph).

As regards the district of Goruckpore, to which allusion is specially made in the 10th paragraph of his Excellency's Minute, I observed in the note to which I have already referred "from what I know and have heard of this district, I should much doubt whether, notwithstanding the large addition made at the settlement, recently concluded, to the amount at which the district was previously assessed, the present assessment could be declared perpetual without involving a considerable loss of revenue, not, of course, immediately, but after the expiration of the period to which the existing settlement is limited."

I agree with the Governor General that the fact of some parts of a district, or of some estates in a district, not fulfilling the conditions laid down as necessary for a permanent settlement, ought not to prevent the admission to the benefits of a permanent settlement of those parts of the district, or of those estates in a district, which do fulfil the prescribed conditions. To exclude some, and, perhaps, the majority of the estates of a district, from a permanent settlement because a few estates are not in a state to admit of this benefit being conferred upon them, would not, in my opinion, be just, and it is certainly not called for by considerations of public policy.

I also agree with the Governor General that all estates in which 80 per cent. of the land is *well* cultivated may at once be permanently settled. Here and there, owing to locality or other causes, a somewhat less amount of cultivation might be accepted as fulfilling the prescribed conditions of a permanent settlement, but the rule should be as above stated, and it should only be departed from on special grounds to be fully reported.

The measure proposed by the Governor General in respect of estates which, owing to the large quantity of culturable land still remaining uncultivated, are not yet fit for a permanent settlement, no doubt, recommends itself by its great simplicity, by the encouragement which it would afford to the holders of estates in the condition mentioned, to bring them up to the prescribed standard of cultivation, and by the advantages which it holds out to those who should succeed in so improving their estates. The

measure has also this further great recommendation, that it would, to the extent to which advantage was taken of it, obviate the necessity of future revisions of settlement, which entail so large an expenditure of money, and are often attended with so much harassment to the people.

But a careful consideration of the measure, aided by the knowledge which we possess of native habits, suggests a doubt whether what is proposed would be as effectual as supposed, and whether, without some greater degree of certainty that the measure would be successful than I think exists, the Government would be justified in binding itself, while leaving perfect freedom of action to the other party to the contract.

Thirty years is a very long time, and the prospective advantages to be obtained after they have elapsed would, I fear, exercise but a small amount of influence on the majority of native landholders in inducing them to employ the intermediate period in doing what would be essential to the enjoyment of those advantages.

The proprietors of estates in the condition mentioned would know that without any exertion or outlay of capital on their part they would not be in a worse condition at the expiration of the temporary or 30 years' settlement than at its commencement; and with the usual apathy of the people of this country it is to be feared that they would be quite satisfied with that condition and desire no alteration. They would probably argue that many changes might take place in the ownership of their estates during the intervening 30 years; that when the time for claiming a permanent settlement arrived, the property might be in the hands of distant relations, or of strangers to whom the proprietary right might have passed by private transfer, or by means of a sale in execution of a decree of court, or in satisfaction of arrears of public revenue; and acting upon the maxim that "sufficient for the day is the evil thereof," they would probably go on from year to year doing little or nothing in the way of increasing or improving the cultivation, so as to enable them in due time to exercise the power reserved to them of claiming a permanent settlement. The consequence would, I fear, in most cases, be that at the end of the 30 years the estates would be found in as backward a state as they were at the commencement of that period.

Upon the whole, I am disposed to doubt the expediency of the Government tying itself down in any way, or coming under any positive engagement, in respect of estates which are not as yet in a condition to warrant their being settled in perpetuity. If the percentage of well cultivated land, which the Governor General proposes shall ordinarily give a claim to a permanent settlement be accepted, the number of estates in the North Western Provinces which, at the next revision of settlement, will be found to possess this qualification, will probably be very large. In the permanent settlement of these estates the Government will afford the strongest assurance of their desire to extend the benefit of a permanent settlement to all parts of the country, in which the land revenue is still subject to periodical revisions; and the proprietors of estates not yet in a condition to receive the boon will have the best guarantee that could be given, that their exclusion from the benefit is only for a time, and that, as soon as they advance their estates to the required condition, the boon will be extended to them also.

At the same time I quite concur with the Governor General that every revision of settlement now made should be in such detail as regards not only the lands under cultivation, but also the lands which, though culturable, remain uncultivated, showing both the extent and character of such lands, and what may be considered as a fair rent for them when brought under cultivation, as will admit of any temporary settlement based upon the results of the revision, so made, being converted into a permanent settlement at any time during the currency of such temporary settlement, or after the expiration of the term for which it is concluded, without any further revision. This will be something gained.

I should hope also that, at the next revision of settlement, something may be done for placing the relations of landlord and tenants having the right of occupancy on a satisfactory footing, thereby remedying the admitted defects of Act X. of 1859 in respect to the grounds on which enhancement of rent can be claimed from a tenant possessing the right above mentioned. The officer revising the settlement should have no difficulty in adjusting the rents to be paid by tenants having the right of occupancy, and in regulating the grounds on which, and the extent to which, any future enhancement shall be claimable.

The record of rights should likewise be very carefully prepared with a view to prevent future litigation as much as possible, and to aid the civil courts, when any dispute arises relating to the under-tenures of an estate, in coming to a right decision.

I have seen the remarks made by the members of the Board of Revenue at Allahabad (Messrs. Muir and Money) on the Governor General's Minute, which was communicated to them demi-officially, with regard to the proposition, that estates to which a permanent settlement could not be immediately extended without a considerable sacrifice of revenue, should be assessed with a progressive jumma, which on reaching, after a given period, the maximum amount at intervals of some years should be permanent, I fear that it would often happen that the time allowed for extending the cultivation so as to enable the estate, from its increased rent-roll, to pay the amount of revenue to which it was proposed that the Government demand should be limited for ever, would be permitted to pass with little or no improvement, and that when the time arrived at which the assessment should become permanent, the Government would be obliged either to relax the terms of the settlement, or, as an alternative, to remove the proprietor and let the estate in farm in the hope that a

stranger

stranger might be induced to do what the proprietor had failed to accomplish. But I cannot think that this would be desirable or expedient.

Want of capital or the difficulty of procuring labour might be the cause of the failure of the owner of the estate to effect what was required of him, or other causes beyond the control of the owner might have operated in the same direction; and it would be hard to inflict upon the owner of the estate, under such circumstances, the severe punishment which his removal from the management of his estate and its transfer to strangers, though only for a time, would be. I need scarcely say that the sympathies of the landed proprietors generally would be with the excluded landlord, and that any measure which involved consequences such as that mentioned would be exceedingly unpopular.

(signed) *H. B. Harington.*

PERMANENT SETTLEMENT.

REMARKS by *W. Muir, Esq.*, Senior Member, Sudder Board of Revenue, North Western Provinces, in reference to the Minute of His Excellency the Right honourable the Governor General on the Permanent Settlement of the North Western Provinces and other Territories similarly circumstanced.

THE above State paper has been transmitted demi-officially to our Board, in order that Mr. Money and myself may "look at it carefully in all its bearings," and furnish our opinions upon the views and proposals set forth therein. Such invitation removes the restraint otherwise inevitable to our Board in discussing projects which emanate from so high a quarter. I proceed, therefore, freely and unreservedly to state my views upon this important document.

2. The object contemplated in the latter portion of his Excellency's Minute is to secure the advantages of a permanent settlement for villages which, in consequence of undeveloped resources, cannot at present bear a full assessment; and to effect this without eventual serious loss to Government.

Object of his Excellency's Minute.

3. I propose to treat the subject separately; *first*, in reference to districts or portions of districts in which, from the general development of resources, agriculture is well advanced, and rent at a fair level; *second*, in reference to districts or tracts, where, from the backwardness of agriculture, much land is uncultivated, and the scale of rents depressed.

This object considered (1) as regards well advanced; (2) as regards backward tracts.

4. So far as the first description of districts or tracts is concerned, I welcome the principle laid down by the Viceroy; although certain important modifications in the details will, I think, be found expedient.

I. Principle of Minute suitable for first class.

5. The principle is to combine a permanent settlement, with a present temporary abatement in respect of estates which could not at once bear full assessment. Without resort to this expedient, the assessment must frequently be fixed at an inadequate sum, and consequent eventual loss to Government, if the benefits of a fixed demand in perpetuity are to be conferred upon all estates within districts or tracts of the character above supposed. The proposed plan will enable us to meet the claims both of the State and of the proprietors; to secure to the former an eventual fair revenue; to concede to the latter a temporary remission for a period within which they may bring their estates up to a standard equal to the full revenue; and to gain for both, and for the country at large, the general advantages of a permanent settlement.

General principle stated.

6. But, although approving the principle thus broadly stated, I do not think that the particular mode in which it is proposed to be applied will work to the advantage either of Government, the proprietors, or the country generally.

Modifications recommended in details.

7. It is proposed that for partially developed properties a present Juma proportioned to the existing value of each, be fixed for the term of the coming settlement; that is, for 30 years; and a full Juma, to take effect (unless the zemindar should then object) at the close of the settlement. When that period arrives, should the zemindar object to the enhanced Juma, and demand investigation, then a fresh measurement and valuation would take place, and a settlement be made on the assets of the day. The benefit looked for is that a proprietor being assured of the maximum Juma beyond which Government has become bound never to enhance the demand, would set himself zealously to improve his estate, and expend capital thereon, in the confidence that, however much he might enhance its value, the whole profit beyond such maximum would surely and without risk be his own.

Objection against leaving the option to refuse standard Juma hereafter.

8. It appears to me that the scheme of leaving the settlement to be accepted at a future period, and, if refused, making it then open to revision, would involve some serious objections, and in a certain measure forfeit the important benefits of an absolutely permanent settlement. The ultimate assessment may be pitched too high, or, if not absolutely too high, the proprietors may conceive that it is so; at any rate, many of them will hope that, if they object and apply for a fresh measurement and valuation, they may obtain reduction.

Zemindars will hereafter ask for revision in hope of obtaining reduction.

tion. The bare chance even of securing such a boon would lead very generally to that result; by the terms of the Minute, the proprietors would be secure from any enhancement beyond the guaranteed maximum, while they might obtain a lower assessment, possibly lower even than that which they had hitherto been paying.

Which will neutralise benefits of permanent settlement.

9. I submit that the probability of such a contingency makes the proposed measure essentially different from a permanent settlement. The benefits of a *fixed and conclusive* demand would not be certainly obtained; the people would still be often left in expectancy. In some cases, it is true, where the maximum might be pitched *very* low (so low, in fact, as to leave no chances of reduction under any future standard of assessment, however moderate), the measure would, I admit, be followed by benefits "cognate to those of a permanent settlement," as set forth in paragraph 42 of the Minute; but I believe that unless a standard very losing and disadvantageous to Government be adopted, such cases would be the minority. In the remainder, we should have all the evils repeated of our temporary settlements. As the 30 years drew to a close, hopes would spring up in the minds of the zemindars of obtaining better terms; not only would the application of capital and labour be checked, and the vigour and energy inherent in the desire after improvement be paralysed, but device and artifice would be resorted to for the purpose of depreciating in appearance, if not in reality, the value of estates; wells would be masked, and the richer staples foregone for the time in favour of the poorer; in fact, the virtue of the permanent settlement would be lost, and the evils which it sweeps away for ever, would revive in all their vigour.

Remedy proposed.

10. To obviate this, I would propose, first, that the permanent settlement be *concluded* as such at once with the zemindars; and, second, that the highest term or maximum demand be not deferred for a period exceeding 15 years.

Proprietors should engage at once for standard assessment.

11. When the new assessments are declared, the proprietors should in all cases be required definitely to enter into the prescribed engagements for the same. If the permanent (or maximum) assessment take effect at once, the proprietor will sign his "durkhast" or engagement for it; if, on the other hand, a temporary abatement be allowed, and the maximum take effect in five, 10, or 15 years, he would equally be called on to sign his engagement at the permanent demand with specification of the temporary reduction. Thus the settlement will be final and conclusive. When the term of the reduced demand expires, the maximum assessment will come into operation as a matter of course, leaving no possible ground of uncertainty. The evils spoken of above will be avoided, and the full benefit secured of a permanent settlement.

Which should not be too long postponed.

12. But for this purpose it is necessary that the term after which the maximum assessment will take effect be not too distant. It should not be so far off as to render the prospective enhancement a matter of personal indifference to the proprietor; in short, a mere speculative transaction. The period of 30 years would, I apprehend, be so. Why, 30 years is the measure of a whole generation. Proprietors having obtained favourable terms for the present, would agree to almost any arrangement so remote. It would hardly come into effect in their time, and a score of contingencies might immediately transpire. "They would say," writes an experienced settlement officer, "*'Dekha chahiye Rish araj jub hoga.'*" Who knows what Government we shall have by that time." Even among races far higher in the scale of civilisation, it is only the thoughtful and educated who live out of the present; and from a people so wanting in energy and desire of improvement, so contented with the position they have inherited from their forefathers, as are the inhabitants of India, it is too much to expect that they would seriously consider the bearings of an arrangement to be postponed for 30 years. Enough for them, that they secure the benefits of a present low assessment, and know that they, or their children after them, will have the option of declining the higher standard juma.

But take effect within 15 years at latest.

13. But it would not be so if the term were limited, according to circumstances, to five, 10, or even 15 years. The zemindar would here feel directly and personally concerned; he would at once turn his thoughts deliberately to his fallow lands and other latent resources of his property, reckon their extent and value, estimate the labour and expenditure necessary for their development, and comparing the cost with the expected profit, determine whether the maximum assessment now demanded is moderate or excessive. If satisfied of its fairness, he would accept it and enter forthwith into engagements. If dissatisfied, he would decline the engagement, and urge his objections.

Which will provide a valuable check on over-assessment.

14. And herein, to my apprehension, lies one great virtue of this procedure. The acceptance or refusal by the zemindar would be essential service *as a guide to the settlement officer*, and as a *check upon over-assessment*. Who should know the capacities of the fallow ground so well as the zemindar himself? He is familiar with every inch of his land, has watched it under all varieties of season and circumstance, and is acquainted with each attempt which in times past has been made to bring it under the plough. Who so competent as he, or so vigilant, to limit its assessment within safe and reasonable bounds? If the maximum demand be frequently refused, it would be a fair warning to the settlement officer, and a valuable index to his superiors, that the standard of valuation for fallow had been pitched too high.

Penalty in case of continued refusal.

15. In any case of refusal, that is, where the zemindar should accept the present abated assessment, but decline the prospective maximum, he should be allowed to hold on for the preliminary

preliminary term. At its close he might again be allowed the option of engaging at the permanent demand; and if he still refused, the estate might be farmed in the ordinary manner, as for recusance. In short, there would be no opening for revision. The assessment once fixed would be final.

16. It has been suggested by an intelligent settlement officer that a proportion should be fixed of fallow land, say 40 or 50 per cent. of the cultivated area, as the condition of a graduated assessment. But I should not think it expedient to fix any mechanical rule of this nature. As I have before written, "Fallow land is of every variety, good, bad, and indifferent: from that class which is barely culturable, and which is not brought under cultivation till rent has reached its utmost limit, to the best descriptions which are left out of cultivation purely from indifference, indolence, or want of labour and capital. . . . A similar remark obviously occurs in reference to that class of lands which bear cultivation only for a certain number of years, and are then abandoned, to be taken up again at some future period."* Where the waste is rich and promising, with facilities for irrigating, draining, manuring, &c., a far smaller proportion of land would render the proprietor liable to prospective increase of assessment, than where the soil is poor, or subject to lie fallow in rotation. In case of reasonable doubt as to certain tracts of waste land being too barren ever to admit of remunerative tillage, the benefit of the doubt should invariably be given in favour of the proprietor, and the land altogether omitted from calculation of prospective assessment, excepting of course the value of its spontaneous produce.

Proportion of waste should be left to settlement officers' discretion.

So also as to the rate of assessment; there may be instances where the fallow soil is so rich and the advantages of situation so great as to justify assumption of a rent rate for eventual assessment equal even to that of the lands now under cultivation. Generally, however, a much lower rate would be necessary, chiefly because it is natural to conclude that the best land is always first brought under the plough, and that what remains, being less fruitful, will require a greater expenditure of capital in proportion to its returns. On the other hand, it is found that when waste lands have been reclaimed, and there is no farther capacity of extending cultivation, the scale of rent tends, from competition, upwards.

And rates of assessment.

Too much stress must not be laid on average revenue rates. These, while essential as a standard of comparison, are misleading and dangerous if applied without careful advertence to individual features. In extensive tracts or clusters of estates, it is seldom indeed that the soil is so exactly uniform as to warrant the application of an average rate for the assessment of each; by no amount of classification (and minute classification is inconvenient and objectionable), could a settlement officer so group villages as practically to avoid associating in the same grade lands greatly varying in natural capacity. Wherefore, to justify any assessment at the average rate, the settlement officer must satisfy himself that in point of fact the particular land is not materially below the average, nor materially above the average. A settlement formed by the procrustean application of an acreage rate would be equable and fair neither in respect of Government or the people. The process of assessment is one of discretion; and it is just here that the settlement officer's ability and judgment are put to the severest test.†

The

* Note on Sir Charles Trevelyan's Financial Statement, paragraph 5.

† For the reasons here given, I am opposed to the use of "acreage rates" in the manner illustrated in paragraph 25, *et seq.*, of the Viceroy's Minute, since they would tend to produce serious inequality. Take *e.g.*, the following examples of an estate with area and rates as there assumed.—

			Rs.	a.	p.	Rs.	a.	p.
Acres cultivated;	first Class,	200	at	3	-	600	-	-
"	"	second	"	1	8	75	-	-
"	"	culturable Waste	"	-	4	62	8	-
		Total by revenue rates	-	Rs.		737	8	-
		Or by the acreage rate	-			750	-	-

Here, as proposed in paragraph 23 of the Minute, the settlement for 30 years would stand at 737 rupees, with a maximum assessment after 30 years of 750 rupees.

But it is quite possible to suppose this to be a village in which the cultivated lands are under acreage, and instead of being valued at 675 rupees, might be rateable at only 500 rupees; and further, that the waste is hardly worth the labour of breaking up. Even the present assessment of 737 rupees would for such an estate be excessive.

On the other hand, it is equally possible for the same figures to represent a village in which the cultivated lands are above average, and the culturable waste perhaps fully equal to it in natural capacity. Consequently at the end of 30 years the rental might possibly be estimated thus:—

				Rs.
Acres cultivated;	first Class	-	-	450 at Rs. 3
"	"	second	"	50 " 1 8
Total				Rs. 1,425

So that this village might be even lightly assessed at 1,400 rupees, or nearly double the assessment assumed at acreage rates, while the former village would at the same rates be greatly over assessed.

These are of course extreme and unlikely cases: but there may occur every shade of variation between them. And as is held in paragraph 33 of the Minute, that the State is not justified in relinquishing its future revenue from the reclamation of land now fallow (meaning naturally thereby a full revenue at fairly adequate rates, and not a mere nominal acreage), it appears to me that the insufficient assessments of which the second example may be viewed as a type would be inconsistent with the principle declared in that paragraph, while those of the first type would bear hardly on the people.

And margin of land for grazing, &c.

The margin likewise to be left for grazing and other village purposes must equally depend on circumstances. In some districts and localities, as in the poorer tracts of Bundelkhand, no doubt more is required than where, the soil being rich, straw and stubble are produced plentifully with the grain crops.

Above points to be explained in village statements.

In all these respects we could lay down no positive rule with advantage; we must trust to the discretion of the settlement officer, who will give his reasons fully in the English statements for each village.

Graduated assessment.

17. Observations of a similar tenor apply to the length of the preliminary period of temporary abatement, and to the number of terms (if any) of graduated assessment. It might be laid down that the full permanent juma should in any case be fixed at not later than 15 years from the date of settlement; but it might have effect according to circumstances and earlier prospect of the waste being reclaimed at a shorter date: the terms of 5 and 10 years might be adopted for that purpose. It might also be in the discretion of the settlement officer to fix an assessment rising by one, two, or three terms, to the highest or maximum demand.

Fifteen years sufficiently long.

18. I have no doubt but that 15 years is a quite sufficiently long period to admit the development of backward estates in those parts of the country to which the present remarks refer. Any expected improvement stretching beyond that period must belong to the region of distant speculation; and in the practical work of assessment will be far more safely left altogether out of account. With the grand inducements offered by a final and conclusive settlement of the revenue in perpetuity, sufficient stimulus will be given to achieve all those improvements which can justly and reasonably be admitted into calculation as the basis of eventual assessment.

Graduated assessments common under former settlements.

19. Indeed the system thus understood is not an untried one. It was well known under the former settlements as that of a "russuddee," or graduated assessment. And it succeeded well wherever the final term, or "kamil juma" was kept sufficiently low. Many of my own settlements of the deteriorated and broken down estates in the Calpee and Jelalpore Pergunnahs were made thus; in some instances the full assessment was postponed so long as 16 years. I lately passed through that part of the country, and (the full demand having been now for some time attained) found that these villages had recovered under this system, and were prospering.

Danger of over-rating the waste, and pitching ultimate demand too high.

20. But it is essential to success that the later terms should be moderate. And as it was found, in practice, that in fixing such rising jummas the tendency in the settlement officer's mind *was to expect too much*, and, consequently, *to pitch his ultimate demand too high*, the system of "russuddee," or graduated assessments, fell into disrepute. The prospect of a heavy and rising demand in the future casts even by anticipation a shadow of gloom and hopelessness over an estate; as the higher terms are reached, the proprietors become involved and break down under over-assessment; and hence the expedient often resulted in failure and damage. I have, therefore, acquiesced hitherto in the line of instructions which our Board have now for many years issued in discouragement of "russuddee" settlements. But, as above explained, the system, judiciously and cautiously used, is capable of being applied with certain success. From the past, indeed, we have gained the experience that it is liable to abuse. In applying the same system to the permanent settlement, it will be necessary not only to caution our officers against the risk of estimating future improvement too highly, but for the supervising authorities themselves to see that this tendency is nowhere yielded to.

Instructions proposed for settlement officers.

21. In order to secure these objects, a carefully prepared set of instructions will be required for the guidance of the settlement officers. These would embrace the following leading points:—

1st. Settlements would ordinarily be concluded at once at the standard juma.

2nd. Where a village is so backward that it could not at present bear a fair assessment, the standard juma may be postponed for a term of 5, 10, or 15 years, according to the extent of unreclaimed land and prospect of improvement, and a lower assessment may be fixed for the present. If there is a likelihood of the improvement being rapidly progressive, the settlement officer may, in his discretion, make the juma rise at any one, or at each, of the terms specified.

3rd. The settlement officer should fix for each pergunnah, or tract, or class of villages, a certain per-centage of fallow land, which may fairly be allowed to pass unquestioned; the grounds on which the per-centage is fixed will be explained in the settlement report. Wherever this proportion is exceeded, he will make it a point to consider whether the character of the waste land affords fair expectation that it will be reclaimed. If there be reasonable ground of doubt, he will decide against assessing it, except for its spontaneous products. If otherwise, he will assess upon it a sum, cautiously calculated, with due advertence to the actual capacity of the land, and the labour and capital required to bring it under tillage. Great circumspection will be needed in not rating fallow land too high. In case of doubt, the settlement officer must incline to the lower estimate. The "malgozaree" rate of the pergunnah, tract, or class, will afford a useful standard; but even that will often be excessive, seeing that the least profitable lands are generally the last to come under the

the plough. The settlement officer will invariably inspect the fallow land with his own eyes, and take all means in his power by local inquiry to test their value.

4th. In all cases where the proportion of waste exceeds the per-centage before noticed, the settlement officer will explain at length; in the remarks of Statements II. and III. the grounds on which he has either allowed it to pass unassessed, or on which he has fixed the demand above or below the average rates, and the reasons which have led to the adoption of a shorter or longer term after which it is to come into effect, or of a graduated assessment, or otherwise.

5th. The number of cases, if any, in which the zemindars have declined the standard juma, will be stated with due explanation.

22. In regard to the districts of which the settlement has already been revised,* it will be necessary that the whole of the work be gone over again by competent officers, such as I believe are either on the spot, or easily available; and in every case in which the proposed assessment may be found to fall materially short of a fair standard juma, the arrangement must be revised, and the settlement concluded on the principles above laid down. This will involve delay, and some expense; but both will be well rewarded. Indeed, under the principles expounded in his Excellency's Minute, the settlement of these districts could not otherwise, with consistency, be declared perpetual. None of the new settlements have yet been sanctioned and approved by any authority superior to the collector; they have all been concluded subject to the sanction and approval of the higher powers; so that they are open to any modification that may be deemed expedient and proper. The same opportunity can be taken to revise the arrangements regarding cesses and Chowkedaree Tax, the late orders regarding which will involve extensive changes of record and account.

Districts already assessed how to be treated.

23. I do not think that any serious or insurmountable difficulties will be met with in applying the above principles to the settlement of any portion of the North Western Provinces, with exception to certain tracts which will be noticed below. Nice questions may undoubtedly occur, on which there will be variety of opinion. These will be decided as they arise; but there is one class of cases possessing, perhaps, sufficiently general features to justify farther mention here. Villages farmed by Jats and Koormies afford far higher profits than those cultivated by Goojurs, Syuds, and Rajpoots; and consequently they can bear, and ordinarily do bear, a higher assessment. How far, in the computation of a standard juma, are the rates prevalent in villages cultivated by the industrious classes to be applied to those occupied by the idle and negligent? The subject is adverted to in the Board's Settlement Circular Order No. 1, paragraphs 93 to 97. Of the latter class it is said: "The Board desire to see them so fairly and moderately taxed as may oblige them to adopt habits of industry and management, or to transfer their lands to those who will make that use and improvement of them which is the right and duty of all good governments to enforce." At the same time the Board limit the application of this principle by the terms, "as far as practicable;" adding, "They have no intention to force conclusions, or aim at an impossible equality." The Commissioner of Meerut is an advocate for a more stringent course. He would not only aim at equality of assessment on general grounds, but he regards it as an object desirable in itself that these classes should be fully assessed in order that they may be sold out for balances; and that, reduced to the position of cultivators, they may make way for landholders of more enterprise and greater capital.† I cannot concur in such a view. In special cases, indeed, this course may be unavoidable; and it may be (and I believe has repeatedly been) followed with salutary effects. But to adopt any measure the result of which shall be the general and wholesale eviction of an extensive body of proprietors, cannot, I should think, be approved by any clement and enlightened government. A measure so violent and sweeping, producing so sudden and extensive an unsettlement of existing rights, could not be justified either on political or economical grounds. I assume, therefore, that any such extreme view would not be sustained. It would be, in the words of the Board, "to aim at an impossible equality;" or, if possible, to aim at it by violent and inexpedient means.

Case of Goojur and other negligent proprietary castes considered.

Some are disposed to assess these at full rates.

24. But we may err on the other extreme. There are, for example, two Goojur pergunnahs adjoining each other, Gungoh in Seharunpore, and Bedowlee in Mozuffernuggur. In the former an endeavour has been made to assess as much as possible at the average standard of the district, and many complaints have reached the Board in consequence.

Others to afford them a perpetual settlement at inadequate rates.

* Seharunpore, Mozuffernuggur, Boolundshahur, Goruckpore, and Jaloun.

† The following extract from the Commissioner's last Annual Report will illustrate his sentiments:—

"In estates belonging to Goojurs, and such bad subjects, and bad cultivators, whose lands are not half brought under the plough, the demand of half of the eventual capabilities of the estates could not possibly be enforced, even if the present owners were got rid of by sale, and industrious and energetic proprietors took their places, unless the new proprietors were men of capital, who could afford to pay the excessive revenue. The assessment, therefore, on tracts so inhabited has been necessarily much too low.

"Necessarily, for though capitalists would come forward, indeed I believe European capitalists might be found who would soon transform these lazy thieves into orderly, industrious, cultivators, the propriety of ejecting wholesale those who will not develop the capabilities of the soil, who keep land waste which might be made to contribute food and wealth to the general stock, but who prefer to agriculture their present lawless habits, cattle-lifting, and thievery, has not been recognised.

quence. In Bedowlee, on the other hand, considerably lighter rates have been adopted, and the assessment is believed to be lower than what might be yielded if even the present proprietors paid proper attention to their farms. Both the Viceroy and the Lieutenant Governor have seen an able paper by the settlement officer of the tract in question, advocating that its revenue as now assessed should be made permanent. To impose a full standard juma, either now or in prospect, would involve the proprietors in depression and ruin, and would drive them to robbery and violence, habits to which by descent and inclination they are already too well inclined. The motives of a permanent settlement may be hoped to have some influence even upon these classes. The Goojur inhabitants of a tract similarly circumstanced have been reclaimed from thievish and lawless habits to order and industry, by virtue of the profits and prosperity attendant on canal irrigation. It is the duty of Government to aim at similar results in Bedowlee, not only for the benefit of the people themselves, but in the interest of the country at large, which now suffers from their evil habits. Hence it has been advocated that the assessment should be made perpetual.

The proposed system will admit of a middle course.

25. I believe that a middle course between these views will be found practicable and expedient. Without aiming at "an impossible equality," the assessment of Bedowlee may still be raised somewhat nearer to the general standard of the district, and the enhanced assessment may be appointed to take effect hereafter under the rules above proposed.

II. Backward districts and tracts. Principle of Minute not suitable for such.

To fix now a prospective permanent demand would be to assess at hap-hazard.

26. I now proceed to consider the backward tracts and districts, to which I would not advise that the above system should, for the present, be applied.

27. In my note upon Sir Charles Trevelyan's Financial Statement of 1863, it was not much my object to urge that estates, generally situated in districts or tracts ripe for a permanent settlement, should be admitted to its benefit, although I believe this to be highly expedient, and rejoice in the prospect of its accomplishment held out by the Governor General's Minute. It was rather my object to urge that the simple test of proportion of area under cultivation in each individual estate should not be held the criterion of ripeness for the permanent settlement *without advertence to the general forwardness of the district or tract in which it is situated*. It appears to me self-evident that, in districts or tracts like the Terai and Lullutpore, where agriculture is in the most rudimentary stage, where valuable staples are rarely grown, where the chief object of cultivation is domestic support by the cheap and commoner crops, where the means of communication with the outer world are difficult, or where the climate is inhospitable; where, in fine, everything combines to keep down rent at the lowest scale, it is quite impossible to anticipate the future, or to predict to what degree rent will rise and find its level within the next 10 or 15 years. To attempt a permanent settlement under these circumstances, by fixing an ultimate demand to take effect after a certain term of years, would, in my apprehension, be to assess at hap-hazard. Even the area under cultivation, and its present assets, can afford but a poor idea of what the eventual rental and value of the same land will be. As an experienced and practical officer writes:—"In those districts no approximate calculation of the value of land now cultivated can be made, by which I mean not the value of the present yield or the rent roll, but of the real value of the land when the commerce of the country shall have been opened up, and the proprietors become somewhat better than mere squatters. I would certainly say that such parts of the country are far better off with long lease settlements; for as yet the value of landed property is not known there to the people themselves, and it is impossible to predict at all accurately what the effect of the great advancement, now being made in opening up the country, will have in those regions."

28. It is held, indeed, in paragraph 33 of the Minute, that while the State cannot prudently relinquish the future revenue arising from the tillage of lands now uncultivated, it "may surrender properly the future revenue from improvement in the crops and in the style of cultivation, in consideration of the advantages derived from a permanent settlement." I can understand and appreciate the distinction if confined to the class of advanced districts treated of in the first part of this note; because it supposes that the improvement is traceable to increased labour and capital applied under the motives and guarantee of the permanent settlement. But I cannot perceive that the distinction has any force whatever in the class of backward districts now under consideration. There the anticipated improvement and rise in rent will be brought about by the opening up of the country, by roads, railways, canals, &c.; by causes, in short, altogether unconnected with the skill, labour, and capital of the owners of the soil. The landholders will be carried forward, whether they will it or not, with the tide of improvement, and so their properties will acquire a vastly enhanced value from causes quite independent of their exertions. Lands now of little more use than barely to support the agricultural and local population, and which yield a mere minimum of rent, will thus acquire, in the development of the country, a value which, compared with their former value, will be quite as great a gain as the bringing of fallow lands under the plough. This augmentation of assets, and creation of a new value, is surely as much to be considered in the one case as in the other. In the language of the Secretary of State, the lands in question, though certainly under some sort of cultivation, and bearing a certain rent, "do not yield to the public treasury a return commensurate with their prospective capabilities." And I cannot

cannot understand on what principle Government is held bound not to relinquish the prospective gain in one case, and yet bound to relinquish it in the other.

29. I sincerely trust that a permanent settlement, either present or prospective, will not, for the present, be introduced in these backward regions. If an attempt be made, on the one hand, to estimate the future advance of prosperity and rise of rent, I fear that the prospective demand so fixed would not only be extremely uncertain and unequal, but would in any case at present appear to the proprietors so heavy as to produce discouragement and dejection; while, on the other hand, if the existing scale of rent and assets be adopted, a serious loss will be sustained by Government, and by the rest of the empire which has to make it good; a loss which, so far as I can see, is not counterbalanced by any adequate advantage.

Alternative danger in so doing.

30. The alternative is a temporary settlement. But if this is fixed for 20 or 30 years, the prospect of a permanent settlement will be postponed for that long period. I could wish that the settlements under such circumstances were limited, say, to 15 years, at any rate to 20.* This would permit of the question being considered at the close of that period, whether the district were prepared for a permanent settlement or not. If not so prepared, the evils of a revision might be avoided by declaring, *three or four years before the conclusion of the settlement*, that it would be prolonged for another period of 10 or 15 years. The bad effects recurring at the close of a temporary settlement would thus be avoided, and the question of permanency still not postponed for a whole generation.

Better to confine settlement to 15 or 20 years.

31. Some special rules will also be required for lands liable to change from fluvial action. But this is a matter of detail.

River lands.

32. I do not think that my opinion is required on any other parts of his Excellency's Minute. The conclusion in paragraph 7, that the Government by a permanent settlement foregoes all claim to the increase of revenue arising from canal irrigation, is the same as that which I advocated in a former Minute.† But it appears to me that the statement on this subject is imperfect without its being placed on record (as I attempted to do in paragraphs 73-75 of that paper) for the consideration of the Irrigation Department, that a higher water rate may fairly be demanded in tracts to which canals *have extended after settlement*, than in tracts which were under canal irrigation at the time of settlement. In these latter the increased assets from canal irrigation have been taken into account in making the assessment; and in so far the water has already yielded a tax merged in the revenue over and above the "water rate." This can never happen where canal irrigation *follows after the settlement*; and here, consequently, the water rate may equitably be higher. I believe this to be the true reason why the water rates on the East Jumna Canal, where the increased assets have been repeatedly taken into account in fixing the land revenue, are so much lower than on the Ganges Canal. It is quite just and proper that it should be so. And it seems to me of importance that the principle on which the difference is founded, and by which it is justified, should be acknowledged by the Revenue Department, when, by the introduction of a permanent settlement, it is about to relinquish henceforth all claim to share in the enhanced assets arising out of canal irrigation.

Water rates on canal irrigation, introduced after settlement may be higher than on irrigation from canals introduced before settlement.

33. I may further be permitted to express my gratification at the first six paragraphs of his Excellency's Minute, regarding the machinery proper for the conduct of the settlement; and the recognition of the importance of the department, in the admission that where the collector of a district is unable to take charge of the work, it should be conducted by a settlement officer *above the rank of a junior officer*. It is not improbable that in the progress of the settlements such a contingency may occur; and I trust that the able assistants now engaged on settlements may be enabled to remain in the department by the creation of a higher grade suitable in emolument to their standing, when they may have emerged from the rank of juniors.

Importance of duties of settlement officer.

(signed) W. Muir.

Sudder Board of Revenue, N. W. P., Allahabad,
23 March 1864.

POSTSCRIPT.—After the above was in type I have had the pleasure to peruse my colleague's admirable Minute on the same subject. Mr. Money and I purposely committed our views to paper quite independently of each other, and with hardly any previous interchange of sentiments. Whatever value, therefore, may attach to the conclusions in which we coincide is naturally increased by the fact of their having been reached by independent courses of reasoning.

My colleague's Minute suggests a few additional remarks:

First, as to the districts or tracts proper to be considered in the second class, as excluded for the present from permanent settlement. I alluded to this subject in paragraphs 52 to 58 of my Minute, dated 5th December 1861. Lullutpore (there called Chundeyree), Jhansie,

* The term for which engagements have been taken in the settlements now in progress in Jhansie and Lullutpore is 20 years; which may be allowed to stand.

† Dated 6th December 1861.

Jhansie, and the Terai District should certainly, to my apprehension, be excluded. But I would extend the measure to Jaloun, as being in pretty much the same category as Humeerpore and Banda, which I recommended (paragraphs 52 to 56) to be permanently settled. I had hoped that the greater part of Goruckpore might also have been regarded as prepared for the measure; but I speak with reserve on this point, as Mr. Money, in whose circle it lies, and who is therefore more intimately acquainted with its resources and prospects, has given a contrary opinion. If the general principle to be followed be now laid down by the Viceroy, its application to this and other exceptional cases may be considered, on the merits of each, when the settlements come up for confirmation. It will be one of the most responsible duties of the settlement officer to bring under consideration, in his final report, any tracts the assessment of which he would propose to leave on a temporary footing. There will be such tracts in all the Sub-Himalayan Districts; in Seharupore towards the Sewalicks; probably also in Jaloun and the other Trans-Jumna districts; and perhaps exceptional villages and tracts in most districts; for example, estates suffering from canal drainage, or other causes, in consequence of which the soil, even if cultivated, yields a poor return. I do not see why estates in the hill districts where, say, 80 per cent. or other fair proportion of the culturable lands are cultivated, should not also be admitted to the permanent settlement.

I concur with Mr. Money in thinking that, ordinarily, 20 per cent. of the Malgozaree area would be a very proper maximum of waste, beyond which rissuddee assessments should be encouraged. But, for the reasons given above, in paragraph 16, I would not insist on this as an invariable standard, but would leave the per-centage to be determined, as there proposed, by the settlement officer, according to the circumstances of each district, pergunnah, or group of estates. I think that many of the reasons so forcibly put by my colleague against formulas of assessment being rigidly enjoined by authority tell strongly in favour of this view.

31 March 1864.

(signed) W. M.

PERMANENT SETTLEMENT.

NOTES by *R. Money, Esq.*, Junior Member, Sudder Board of Revenue, North Western Provinces, on the Governor General's Minute on Permanent Settlement.

Paragraph 4.—THE opinions here recorded correspond with those which have been expressed by the Board.

6. It will, I think, be found impracticable to follow any invariable rule in regard to the distribution of settlement duties between collectors and settlement officers. Unless a collector be relieved of the greater proportion of his district duties, both revenue and criminal, he will ordinarily be unable to find the time that ought to be devoted to the determination of a fair and equable assessment. The officer who superintends the measurements visits all the villages in the pergunnah, and the notes which he records as the result of his personal observation materially aid him in fixing the jummas. The classification of villages whereby the assessment is much facilitated, depends mainly on the settlement officer's personal inspection; and if the collector is merely to adopt the data provided by the settlement officer, the conclusions which he might deduce from them would, perhaps, not be more reliable than those which would be arrived at by the officer who had himself collected and digested all the information that he considered necessary for the formation of his own opinions.

The exact actual assets of an estate are rarely, if ever ascertained. If they could be ascertained, and if the rule for making the settlement at half-assets were invariable, it would not matter whether the assessment were made by the collector or by the settlement officer. But the estimate of the present or prospective value of the rental is affected by many considerations; and, ordinarily, the officer who has conducted the preliminary operations, and personally inspected a village and those which surround it, will be in a better position than any other to fix the jumma that should be demanded. Although some of the settlement officers are young in the service, they are invariably chosen with reference to their proved intelligence and special aptitude for the performance of the duties entrusted to them, and I should therefore regret to see them debarred from working out the result of their labours. On the other hand, however, in accordance with the notification of the Government, North Western Provinces, of 29th April 1863, No. 581 A, they are subjected in all their proceedings to the general control and guidance of the collectors, and the collectors might advantageously be required to examine the assessment of every pergunnah before its submission to the Commissioner. If the collector saw reason to dissent from any of the conclusions of the settlement officer, they might on consultation arrive at unanimity; and if otherwise, the collector would report the grounds of his dissent in submitting the settlement report.

7. Increased productiveness from canal irrigation does appear to me to constitute a stronger ground of claim to participation than enhanced profits from the opening up of railways or any other circumstance of general progress and development, inasmuch as the canal is constructed by Government for the express purpose of increasing the productiveness of lands irrigated by it. On the analogy of the provisions for the enhancement of rent, the Government

Government would apparently have as much right to demand increased revenue as the zemindar to demand increased rent due to improvements effected independently of the action of the zemindar in the one case and of the ryot in the other.

Whether it would be more expedient to relinquish now and for ever all claim to participate in the increased assets which will be derived from the spread of canal irrigation, than to defer the fixing in perpetuity of a settlement on existing assets, is a question which involves a material difficulty. General equability of assessment is admitted to be an essential condition of a permanent settlement. Those lands which have already benefited by the action of the canal have been, or will be, assessed with direct reference to their enhanced productiveness. Other lands, of which it may be certainly predicated that they will be subjected to the action of the canal ere many years have elapsed, will, in the ordinary course of the approaching settlement be assessed, as unirrigated; the assessment would be declared permanent, and so soon as those lands were reached by the canal, the equality of the assessment would be destroyed. There appears to me to be a certain inconsistency in denying a permanent settlement on existing assets to an estate of which the rental might in the course of years be probably doubled by the reclamation of culturable waste land, whilst it is conceded to another of which the assets may in a shorter time be quadrupled by the action of the canal. Might not estates of this nature be held to be excluded from immediate settlement in perpetuity, in the terms of the Despatch of the Secretary of State, as estates "which do not yield to the public treasury a return commensurate with their prospective capabilities?"

Assuming that the permanent settlement is not to be extended to individual or isolated villages situated in tracts which are not generally enough advanced to admit of their inclusion in the measure, it will in the first place be necessary to determine what districts, or portions of districts, should be entirely excluded. In these I would certainly include the whole of the district of Goruckpore. Although it contains many estates in which cultivation has been advanced to an extent which would qualify them for permanent settlement, if they were situated in a district where cultivation had been generally extended in an equal degree, yet the resources of the majority are very imperfectly developed. But as regards this district there is another and a greater difficulty which precludes an immediate assimilation of its settlements to that of the generality of districts in these provinces. In regard to rents it is in a transition state. The rates hitherto paid have been very much lower than those which obtain in other parts of the country; but they are gradually rising, or have already been very much raised in villages of which the settlement has been completed. Estates professedly settled at half-assets have been sold at between 40 and 50 years' purchase of the Government demand, whence it must be inferred that the rents are at least double or treble the amount of the jumma.

The Terai and the hill districts are obviously unfit for a permanent settlement.

Mr. Muir is much better acquainted than I am with the Jhansie Division, in regard to which I should readily defer to his opinion; but I conclude, from all the information that I possess, that there is no portion of the division in which it would now be expedient to perpetuate the settlement.

There remain the whole of the Doab, Rohilcund, exclusive of the Terai, and the districts of Humeerpore, Banda, and Azimgurh. Setting aside the prospective enhancement of assets due to irrigation in estates to which the operation of the canal has not yet been, but soon may be extended, I would advocate the permanent assessment, at one-half of the present assets, of all estates situated in the last mentioned tracts, provided the cultivation amounted to 80 per cent. of the culturable area.

The following details of area of the tracts in question, exclusive of lakhiraj lands, are taken from the reports of the census of 1853; and although they cannot be held to represent exactly the present status, they may be regarded as sufficient for our present purpose:—

Doab Statement.

T R A C T S.	Cultivated.	Culturable	Barren.	PER-CENTAGES.		
				Cultivation to total Malgoozaree.	Cultivation to Total Area.	Barren to Total Area.
	<i>Acres.</i>	<i>Acres.</i>	<i>Acres.</i>			
Seharunpore - - - -	7,74,253	2,11,449	3,43,599	78	58	26
Moozuffernaggar - - - -	6,70,468	1,53,173	1,53,713	81	69	16
Meerut - - - - -	9,07,758	2,36,021	1,82,256	79	68	14
Boolundshuhur - - - -	7,16,587	1,43,260	2,20,211	83	66	20
Allygurh - - - - -	9,61,076	77,725	2,98,233	93	72	22
Muttra - - - - -	7,33,362	87,224	1,14,307	89	78	12
Agra - - - - -	7,47,536	1,18,104	2,43,437	86	67	22
Farruckabad - - - - -	7,49,023	1,78,345	3,61,332	81	58	28
Mynpoorie - - - - -	6,87,098	1,14,526	4,82,812	86	53	38
Etawah - - - - -	5,57,804	59,927	4,26,402	87	52	40
Cawnpore - - - - -	8,00,438	1,49,232	4,91,037	84	56	34
Futtehpore - - - - -	5,09,798	1,31,895	3,62,066	79	51	36
Allahabad - - - - -	9,71,558	2,47,255	5,37,727	80	55	31
TOTAL - -	97,85,754	19,08,136	42,17,132	84	62	27

Rohilcund.

TRACTS.	Cultivated.	Culturable.	Barren.	Cultivation to Malgoozaree.	Cultivation to Total Area.	Barren to Total Area.
	<i>Acres.</i>	<i>Acres.</i>	<i>Acres.</i>			
Bijnour - - - - -	5,90,622	1,75,553	4,07,207			
Deduct Pergunnahs bordering on Forest, Burrapoorah, Ufzulgurh, Rehur, Nujeebabad - - -	1,10,795	45,838	3,14,386			
TOTAL - -	4,79,827	1,29,715	92,818	79	68	13
Moradabad - - - - -	8,39,919	3,08,851	2,89,166			
Deduct, Kasheepore - - -	65,942	51,100	1,14,715			
TOTAL - -	7,73,977	2,57,751	1,74,451	75	64	14
Budaon - - - - -	9,28,299	2,86,055	2,53,103	76	63	17
Bareilly - - - - -	10,56,961	3,94,810	4,60,823			
Deduct, Roodurpore, Gudurpore, Pilibheet, Bilehree, Kilpooree, Nanukmuttah - - - - -	1,24,896	1,59,596	2,64,914			
TOTAL - -	9,32,065	2,35,214	1,95,909	80	68	14
Shahjehanpore - - - - -	7,16,201	4,53,032	2,75,059			
Deduct Poorunpore, Jubnan, Khotar	1,34,551	2,55,945	1,21,315			
TOTAL - -	5,81,650	1,97,087	1,53,744	75	62	16
TOTAL, exclusive of Forest Purgunnahs - - - }	36,95,818	11,06,322	8,70,025	71	65	15

Bundelcund and Benares.

TRACTS.	Cultivated.	Culturable.	Barren.	Cultivation to Malgoozaree.	Cultivation to Total Area.	Barren to Total Area.
	<i>Acres.</i>	<i>Acres.</i>	<i>Acres.</i>			
Humeerpore - - - - -	7,70,254	3,16,504	3,33,362	71	54	23
Banda - - - - -	8,46,831	5,61,281	4,35,066	60	46	24
Azingurh - - - - -	7,98,707	2,13,729	5,57,035	79	51	35
TOTAL - -	24,15,792	10,91,514	13,25,463	69	50	27

The following statement combines the details of three divisions :—

DIVISIONS.	Cultivated.	Culturable.	Barren.	Cultivation to Malgoozaree.	Cultivation to Total Area.	Barren to Total Area.
	<i>Acres.</i>	<i>Acres.</i>	<i>Acres.</i>			
Doab - - - - -	97,85,754	19,08,136	42,17,132	84	62	27
Rohilcund - - - - -	36,95,818	11,06,322	8,70,025	71	65	15
Bundelcund and Azingurh - -	24,15,792	10,91,514	13,25,463	69	50	27
TOTAL - -	15,897,364	41,05,972	64,12,620	79	60	24

No uniform rule was observed in classifying lands under the respective heads of "Culturable" and "Forest and Jungle." Much of the land which was included in the Minhae as "Forest and Jungle" is actually culturable, or has been already brought under cultivation.

One-fifth, or 20 per cent. of the total area may be regarded as a full and fair average allowance for barren waste, including village sites, roads, banks, tanks, water-courses, and the like; though there are numerous instances in which more than 90 per cent.

cent. of the total area is actually under cultivation. Putting the barren wast at 20 per cent., and adding the difference to the malgoozaree area in the Doab and Bundelcund and Azimgurh, and deducting it from the malgoozaree in Rohilcund, we obtain the following result:—

DIVISIONS.	Cultivated.	Culturable.	Barren.	Cultivation to Malgoozaree.	Cultivation to Total Area.	Barren to Total Area.
	<i>Acres.</i>	<i>Acres.</i>	<i>Acres.</i>			
Doab - - - - -	9,785,754	2,943,064	3,182,204	77	62	20
Rohilcund - - - - -	3,695,818	841,914	1,134,433	81	65	20
TOTAL - - - - -	13,481,572	3,784,978	4,316,637	78	62	20
Bundelcund and Azimgurh - - - - -	2,415,792	1,450,423	966,554	63	50	20
GRAND TOTAL - - - - -	15,897,364	5,235,401	5,283,191	75	60	20

I have exhibited separately the total of the Doab and Rohilcund, because there has been a very considerable increase of cultivation in the district of Azimgurh, and because the districts of Humeerpore and Banda may be regarded as somewhat exceptional. The old returns from which the above data have been obtained are far from representing the present state of the former, and cultivation is increasing and land rapidly rising in value in the latter district.

I think it may be inferred from the above statements that 80 per cent. of the total malgoozaree (that is of the total cultivated and culturable area) should be regarded as a fair proportion to be assumed as the amount of land under cultivation, which should be held to entitle the proprietors of an estate to a settlement in perpetuity at one-half of the present assets (a). As an *average* I have allowed 20 per cent. of the total area to be reckoned as barren, but all calculations for purposes of assessment must necessarily be made on the *bonâ fide* total malgoozaree, or possibly culturable area. There are estates in parts of Rohilcund, where the land is so valuable that the cultivators grudge the small quantity that is required for the strips which separate adjacent fields, and where not a square yard is wasted. Again, there are estates in which large portions of the area consist of sand-hills, or plains of drifting sand, or of utterly barren and impracticable ravines. All land that is actually unculturable, whatever the amount of it may be, should therefore be deducted from the total area as unassessable, and after excluding lakhiraj lands, the assessment should be made on the remainder. It should be the duty of the settlement officer to ascertain in the first instance whether the land under cultivation amounted to or exceeded 80 per cent. of the total malgoozaree, and in either case he would make the settlement in perpetuity, at half assets, under the rules in force. It may be said that a proprietor who has already improved his estate to the utmost of its capabilities, is deserving of more consideration than one who still has lands available for future improvement. This has always been admitted. It is impossible to lay down definite rules which should meet every variety of condition, but a general discretion is allowed to officers employed on settlement to lower the rate of assessment on each cultivated acre when the rate on the malgoozaree is found to be disproportionately high.

The manner in which villages should be treated when the cultivation is found to fall short of the prescribed proportion remains to be considered.

Here it should be remembered that the exact assets cannot be ascertained with any certainty. The rule for settlement at half assets is not invariable, but indicates the general proportion of jumma to rent that should be maintained. Much must necessarily be left to the discretion of the settlement officer. Mathematical precision is unattainable, and the variations of conditions are so numerous, that no invariable rule or formula of assessment can be made generally applicable. Where there is no uncultivated culturable land, the settlement officer will feel himself, in fairness, bound to pitch the assessment lower than the amount obtained under the half assets rule; and, on the other hand, he will go beyond that amount if the quantity of uncultivated culturable land is excessive. An assessment made nominally at half assets will, in practice, be found to fall short of that proportion. In all cases where the cultivated area is less than 80 per cent. of the total malgoozaree, the settlement officer might be directed to calculate the jumma that would be assessable if the cultivation were increased to the requisite amount. He would make this calculation at the average half asset rate of the land actually cultivated, unless the uncultivated but culturable land were of inferior description, in which case he would make a proportionate allowance.

The

(a) It had escaped my memory that this is the proportion assumed by his Excellency the Viceroy. "It may be generally assumed that those estates in which four-fifths of the culturable area are cultivated are fit for a permanent settlement." (Minute, paragraph 22). I am happy to find that my inquiries have led me to the same conclusion.

The assessment at half assets to which an estate would be liable if 80 per cent. of the malgoozaree area were under cultivation, I will call the *kamil jumma*.

In any estate where the cultivation is less than 80 per cent., if the *kamil jumma* should not be more than 60 per cent., or *three-fifths* of the actual or estimated assets at the time of settlement, I would make the settlement immediately, in perpetuity, at the *kamil jumma*.

The following example will illustrate the rule I would propose:—

	Total Cultivation.		Culturable.		Total Malgoozaree.
	Acres.		Acres.		Acres.
Actual - - -	470	-	230	-	700
Prospectively required	560	-	140	-	700

Actual assets of 470 acres, 1,880 rupees.

Jumma at half assets, 940 rupees.

470 : 560 :: 940 : 1,120.

1,120 rupees are therefore the *kamil jumma*.

$\frac{2}{3} \times 1,880 = 1,128$.

The *kamil jumma* is therefore less than $\frac{2}{3}$ ths or 60 per cent. of the present assets, and should be assessed at once.

Existing settlements have been made at rates varying from 60 to 66 per cent. of the estimated assets, and there is therefore no hardship in making a settlement in perpetuity at not more than 60 when land is readily available to reduce the rate to 50.

The difficulty that has to be overcome is in cases where 60 per cent. of the present assets will not give the *kamil jumma*. I would not advocate an assessment at a higher rate save in instances where land had been thrown out of cultivation obviously for the purpose of obtaining a low assessment. In such cases the settlement officer is allowed to treat land so thrown out of cultivation as nearly equivalent to cultivated land.

I entirely concur in the remarks in paragraph 22; but with regard to the proposal in paragraph 23, I doubt the practicability of fixing "one general revenue rate per acre for the total culturable area, including land actually cultivated and land yet remaining to be cultivated." General averages are useful for comparison, but the basis of the settlement of each separate estate must be its own ascertained or estimated assets. The probable future assets of land that has not yet been brought under cultivation cannot be determined with any degree of certainty. Where the resources of an estate have been only partially developed, it will generally be found that the best lands have been selected for cultivation, and that the assets could not therefore be increased in proportion to the extension of the cultivated area.

The most important and peculiar feature of his Excellency's scheme is the present assessment, on estates not sufficiently developed for settlement in perpetuity on existing assets, of a *kamil jumma*, which, at the option of the proprietors, may be declared perpetual after the expiration of 30 years. I regret that I am unable to concur in the expediency of this arrangement. If two jummas, one slightly higher than the other, were fixed on any estate, and the native proprietor were allowed the option of engaging for 30 years for the payment of the lower jumma, with the condition that at the expiration of that term the estate would be liable to re-assessment on its assets, whatever they might be, or of engaging permanently for the higher jumma, he would elect for the temporary settlement, and trust to chance for the future. If, for instance, there were an estate of which 1,000 rupees would be a fair and moderate assessment, and the proprietors were allowed the option of engaging for the payment of 1,000 rupees in perpetuity, or for a settlement for 30 years at a jumma of 975 rupees, I feel confident that in 99 cases out of 100 they would elect for the lower demand for the limited period. Whether Hindoos or Mahomedans, they would argue that they thereby secured a certain present gain, and for the future they would trust to fate; the lower demand might possibly be never increased, it might even be diminished. If they were Mahomedans they would be further influenced by their doubts of the permanency of our rule.

If the *kamil jumma* were considerably in excess of the present assessment, I apprehend that the knowledge of the limit of ultimate demand, so far from acting as a stimulus to exertion, would have an effect exactly the reverse: when the temporary settlement verged on expiration, the proprietors would endeavour, by putting down cultivation, to prevent the proposed enhancement, or at least to reduce its amount. The element of uncertainty in regard to the amount of the future jumma (the proposed prospective demand being regarded as not inevitable), would preclude the realization of the advantages which are expected to accrue from a permanent settlement.

If the development of the resources of a village is very backward, it is generally impossible to estimate its future capabilities with any approach to accuracy; and it therefore appears to me to be very necessary to fix a limit within which estates which are not susceptible of immediate settlement in perpetuity on existing assets, should have their settlement made permanent with prospective effect. All estates beyond that limit should be only settled temporarily under the rules in force.

The settlements of undeveloped estates now made to have effect after the expiration of 30 years will necessarily fall eventually under the classification of

Too high.

Fair.

Too low.

Those

Those of the first class will be merely inoperative.

Those of the second will be generally so, for the proprietors will strive to prevent an adequate enhancement of the existing demand. They do not apprehend *over-assessment*, and only consider themselves fortunate when they obtain a settlement at something less than a fair amount.

Those of the third class would be perpetuated to the detriment of the State, and the destruction of that general equability of assessment which should be the basis of every permanent settlement.

From the above considerations I have come to the conclusion that every settlement which is intended to be permanent should be definitely engaged for at the time of settlement; and all estates for which definitive permanent engagements cannot now be secured should be temporarily settled under existing rules, subject to permanent settlement hereafter. I apprehend that these exceptions of temporary settlements in the selected tracts would be comparatively very few in number, and I am of opinion that the objections, which might be urged against the allowance of such exceptions, will bear no comparison with the evils to be apprehended from the inequality of assessment, and the uncertainty which would necessarily be involved in the attempt to extend the permanent settlement to estates which are not expected to be ripe for it for the next 30 years.

It now only remains for me to explain the principles on which I would propose to settle permanently those estates whose present assets are not sufficient for the immediate assessment thereon of a kamil jumma.

The settlement of such estates should be rusuddee, or gradually increasing. The demand of the kamil jumma should take effect at a period not later than 12 years from the date of settlement. In exceptional cases, and where the zemindars were themselves desirous to engage for the payment of the rusuddee jumma, the period might be extended to 15 years. This would generally be in the case of villages where the proportion of land under cultivation was less than the minimum which I am about to propose as the measure of the fitness of an estate to be assessed at a jumma rising gradually to the kamil amount.

As in the case of estates on which a *kamil jumma* cannot be immediately assessed at the half assets rate, I would assess all these undeveloped estates at 60 per cent. of the assets.

The limit I would prescribe would be that the present cultivated area should not be less than two-thirds of the required amount, viz., that it should not be less than eight-fifteenths of the malgoozaree. The jumma at 60 per cent. of the assets, on a cultivated area equal to two-thirds of the required quantity, would be four-fifths of the kamil jumma. Four-fifths of the kamil jumma would therefore be the lowest or initiative demand against an estate settled permanently, but prospectively, at the full amount.

In the following Table, the area required to be cultivated, or four-fifths of the malgoosaree, is assumed to be 1,000 acres:—

	<i>Rs.</i>
Assets, at rent-rate of two rupees - - - - -	2,000
Kamil jumma ; - - - - -	1,000

Cultivated Area at time of Settlement.	Assets at Two Rupees per Acre.	Jumma at 60 per Cent. of Assets.	Term of Rusuddee Settlement.
<i>Acres.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Years.</i>
791 $\frac{2}{3}$	1,583 $\frac{1}{3}$	950	6
750	1,500	900	8
708 $\frac{1}{3}$	1,416 $\frac{2}{3}$	850	10
666 $\frac{2}{3}$	1,333 $\frac{1}{3}$	800	12

The settlement officer might take the entry in any one of the three first columns of the above table as the basis of his calculations, and the result would be the same. Perhaps the entries in the third column afford the data on which the proposed rule can be stated in the most simple form, namely:—

										Term of Rus- suddee Settle- ment.		
If jumma at 60 per cent. of present assets amounts to 95 per cent. of kamil jumma, 6 years.												
Ditto	-	-	-	ditto	-	-	90	ditto	-	ditto	8	"
Ditto	-	-	-	ditto	-	-	85	ditto	-	ditto	10	"
Ditto	-	-	-	ditto	-	-	80	ditto	-	ditto	12	"

If less than 80, a permanent settlement will generally be considered impracticable. It may be observed that where the jumma at 60 per cent. of the assets is 80 rupees, the jumma at one-half of the same assets would only be 67 rupees.

In all cases where an estate was held to be susceptible of permanent settlement under the rules above proposed, the proprietors should be called on to enter into engagements accordingly, and should not be allowed the option of electing for a temporary settlement. Should the proprietors refuse to enter into engagements, the settlement at the proposed

rusuddee jumma should be made in farm for the term of 12 years, under the provision in Section 3, Regulation VII., 1822. On the expiration of the farming lease the zemindars would be admitted to engagements in perpetuity at the kamil jumma.

In conclusion, I would repeat the observation I have elsewhere made, and which should be constantly held in view by settlement officers, that no rules of assessment are of invariable application. Acting under the spirit of general rules, the settlement officer must take into careful consideration the peculiar conditions which affect each separate estate, and make his settlement accordingly. There may be two partially developed estates in which the quantity and proportions of the cultivated and culturable area, and the assets of the cultivated land, are exactly equal; but it will not necessarily follow that the kamil jumma of both will be the same. The culturable but uncultivated land in one may be more easily reclaimable or of more productive quality than in the other, and due allowance should be accordingly made in fixing the highest assessment.

A very backward village should rarely be assessed prospectively up to the full estimated amount of kamil jumma. More loss is entailed on Government by over-assessment than by inadequate assessment; for a settlement that is made too high will inevitably break down, and the re-settlement which is entailed will invariably be lower than the amount which would have proved sufficiently moderate if it had been originally assessed.

Sudder Board of Revenue,
N. W. P., Allahabad,
30 March 1864.

(signed) *R. Money,*
Junior Member.

MINUTE by the Honourable the Lieutenant Governor of the North Western Provinces.

THIS important Minute by the Viceroy and Governor General, on the subject of a permanent settlement, has been demi-officially communicated to the members of the Sudder Board of Revenue, and has been so ably and exhaustively treated in the admirable notes which they have recorded, and which reached me on the 5th and 6th instant, that little remains to be added beyond the expression of my own opinion, and this, to avoid delay, will necessarily be brief.

2. The occasion of this interesting exposition of his Excellency's views was a Minute recorded by me in July last, in which I advocated, in a general and imperfect form, a more personal and direct supervision of settlement establishments, and a more generous treatment of the landholders in regard to the mode of valuation of their estates, than it appeared to me had hitherto prevailed.

3. As observed, however, in the letter transmitting the Board's communication of the 24th October last, which has been purposely delayed to afford full time for inquiry, the representations of the Board, and more extended opportunities of information, have considerably modified my views on both these points, and, without re-opening the subject here, it will be sufficient to observe that, though I cannot altogether retract my opinion in respect of the existing system of supervising and testing agency, I am very willing to admit that, if the duty is fulfilled in spirit of paragraphs 4 and 5 of his Excellency's Minute, there is no sufficient cause for change; but I may add, that the question, to my mind, was not of the qualifications of the officers concerned, but of the experience of utilising the experience of one or other of the members of the Board, specially in the work of settlements, instead of leaving it hampered and over-ridden by routine duties.

4. The chief topics for discussion raised by the present Minute are—first, the principle of selection of estates to be admitted to permanent settlement, according to individual rather than general development; and, secondly, the immediate assessment, both of the present and of the ultimate value of the assets of estates not fully developed; the existing assets being taken as the basis of a thirty years' settlement; the full sum, assessed as the ultimate prospective value, being the maximum demandable at the next settlement, provided the landowner were willing to accept it.

5. My first impression of his Excellency's intention was, that the option given to the landowner of converting the temporary into a permanent settlement would be confined to the currency of the temporary settlement; so that, if he failed to avail himself of the boon, he entailed upon himself the inconvenience and cost of a re-assessment on the expiry of the temporary settlement, and the almost certainty of an enhancement of revenue demand; and in this view I entirely concurred in the proposed measure, believing that the advantages to be gained on the one hand, and the inconvenience to be avoided on the other, were sufficiently obvious to ensure the acceptance of the permanent assessment; immediately, whenever the demand did not exceed 60 or 66 per cent. of the gross assets, and prospectively, so soon as the development of the resources of the property would warrant the step.

6. The proposal, however, in his Excellency's Minute so far differs, that the pressure, upon which I had relied, is entirely removed, and the landowner would enjoy the benefits of a light assessment for 30 years, with the assurance, that under no circumstances would the ultimate demand exceed the sum now fixed as the permanent assessment.

7. In

7. In this view it seems to me that the proposed measure is open to the objections stated by Messrs. Muir and Money, and, as a rule, I conceive it probable that no one would convert his temporary settlement into a permanent one during the currency of the former, unless he did so to enhance the market value of his property preparatory to sale.

8. In the form in which I first apprehended it, the measure still recommends itself to my judgment; but I am of opinion that it may be very greatly improved, in accordance with the experienced suggestions of Messrs. Muir and Money, which I will now proceed to consider.

9. The principal modification, recommended by Mr. Muir, is that a standard assessment of maximum demand having been declared, the landowners should be required to engage for its payment, either immediately or, in cases of temporary abatement, prospectively within certain moderate periods.

10. Mr. Money has shown very clearly in his excellent paper how such a rule would probably work, and that there is really no hardship in making settlements in perpetuity, at not more than 60 per cent. of the estimated assets, where the means are readily available for reducing the rate to 50 per cent.

11. As regards undeveloped estates, not yet in a condition to pay the fair maximum demand, I think a graduated assessment, upon the principles recommended by Mr. Money, would be found to work well. No doubt such assessments are open to the objections noticed by Mr. Muir; but when carefully applied, and not pressed too far, my own experience is altogether in favour of them, as providing exactly that moderate pressure which is needful to incite exertion.

12. I would, however, carefully attend to the principle of selection, and admit no estate, wherever situated, to permanent settlement, unless its present revenue, at 60 per cent. of the assets, equals four-fifths of the ultimate prospective demand (as explained at page 10 of Mr. Money's note). I do not participate in the objections, sometimes raised, to having temporarily settled villages interspersed with permanently settled ones, on the score of inconvenience and additional cost in the management. No such effects were experienced in the Behar districts, in which I have served, where at one time such intermixture was very extensive.

13. Besides the general rule to the above effect, I would specially except, for the present, the districts of Goruckpore, Jhansi, Lullutpore, and Terai from the operation of the permanent settlement. In these the procedure might, with advantage, follow the course suggested by Mr. Muir in his 30th paragraph. I do not think that the permanent settlement should at present be extended to the hill districts.

14. As regards matters of detail, these may be worked out by the Board of Revenue in communication with the Government, and a carefully prepared set of instructions issued for the guidance of settlement officers, as proposed by Mr. Muir; too much stress cannot be laid upon the dangers of over-assessment of unreclaimed land, and the importance of distinguishing between good land, which has remained uncultivated for want of labour or capital, and land of which the yield is below the average of remunerative crops.

15. Districts of which the settlement has already been revised will necessarily be treated as proposed in Mr. Muir's 22nd paragraph.

16. It was at one time my intention to suggest the propriety of fixing the assessment for the permanent settlement in grain instead of coin; that is, that the average rate of produce per acre of the principal descriptions of crop should constitute the standard of valuation, the cash equivalent for which should be regulated by the market value of the produce, liable to re-determination, say every 20 years. Such a provision would meet all objections founded upon variations in the value of the precious metals, and of prices; but, upon full consideration, I apprehend that it might lead to doubts as to the *bonâ fide* permanence of the assessment; it is, I think, an open question whether some such provision should not be admitted into the engagements of the ryots with their landlords.

17. As regards recusant proprietors, I concur in the opinion expressed in the 15th paragraph of Mr. Muir's note.

18. I have omitted to notice the question raised by Mr. Muir in paragraphs 23 to 25, in connection with the Goojur estate of Bedowlee, in Mozuffernugger. I agree generally with Mr. Muir, that it is the duty of Government to treat cases of this description with all possible forbearance; but I cannot advocate any action which could be construed into a reward for misconduct. Such cases ought, it appears to me, to be treated altogether exceptionally, assessed for the present at very moderate rates, tacitly leaving a considerable margin of profit, and subjected hereafter to the same procedure as recommended in paragraph 30 by Mr. Muir, for other backward tracts.

(signed) E. Drummond.

From *E. C. Bayley*, Esq., Secretary to the Government of India, Home Department, to *R. Simson*, Esq., Secretary to the Government of the North-western Provinces (No. 543); dated Simla, 8th June 1864.

Letter from Government, North Western Provinces, No. 907 A., dated 6th August 1863, and enclosures.

Minute by the Governor General, dated 5th March 1864.

Remarks by Mr. Muir, dated 23rd and 31st March 1864.

Remarks by Mr. Money, dated 30th March 1864.

Minute by the Lieutenant Governor (no date).

WITH reference to the papers marginally noted, I am now directed to communicate the following observations and orders by the Government of India.

2. The minute of the honourable the Lieutenant Governor embraces two propositions; *first*, for the establishment of a board of settlement; *second*, for the revision of the assessment of the land revenue through the agency of the ordinary district officers.

3. The Governor General in Council, I am to state, is of opinion that both these proposals require further consideration on the part of the Government of the North-western Provinces, in consultation with the Sudder Board of Revenue.

4. In regard to the proposed Board of Settlement, his Excellency in Council is clearly of opinion that such a Board will not be necessary. The object contemplated by the Lieutenant Governor, in making this proposal, is the final testing of the revised assessments in each district previously to their being declared permanent for ever. Now, the importance of thus testing the assessments may be fully admitted. But for this object, a machinery, which is the best obtainable, already exists, and it must be held to be much superior to any such Board of Settlement as that proposed. There are already the Commissioners of Revenue in the several divisions of the North-Western Provinces; there is the Sudder Board of Revenue at Allahabad. It is, his Excellency in Council considers, impossible to have a better supervising and testing agency than this. These high officials are appointed for this express purpose, and are, in the opinion of his Excellency in Council, fully equal to the duty; they are on the spot; they have the best local and general experience; they have ample time for the work. Indeed, it is understood that, whenever of late years the retention or abolition of some or all of commissionerships, or of one out of the two members of the Board, has been discussed on financial grounds, it has been held that the present numbers of the Commissioners and members of the Board ought to be maintained for the particular reason that they are all needed for the work of the approaching permanent settlement. Primarily, therefore, the supervision of the revised settlements must rest with the Commissioners, in their respective divisions, under the general direction of the Board. The final testing which the Lieutenant Governor is justly anxious to secure may be very properly carried out by the members of the Board while on the circuits which are annually undertaken.

5. The Governor General would here, however, impress on the Board, and on the Commissioners, the importance of their giving their whole minds to this great matter of supervising and testing the settlements. The Commissioner should not content himself with merely criticizing when the work is wholly or partly done, but should watch it through every stage of its progress, and rectify every error in practice, as fast as it becomes apparent; he should also keep the Board thoroughly informed of the progress of the work. The final proceeding on the Commissioner's part is the submission of the settlement officer's completion report to the Board. Before according their final approval to the settlement, the Board should communicate personally with the Commissioner, and ascertain from him unreservedly all the conclusions which he may have been able to form. Either the Commissioner can arrange to attend on the Board with his settlement report, or else the Board can meet the Commissioner on circuit, so that all the main points in the settlement or in the report may be verbally discussed.

6. In respect to the revision of assessments through the agency of the ordinary district officers, the Governor General in Council fully concurs in thinking that this agency should be employed in preference to any other, *wherever* the district officers are competent for this particular work, or may be able to afford the time requisite for it. In some districts it is believed that they have been, and in others, will yet be found so competent, but his Excellency in Council apprehends that they probably will not be so in all. It by no means follows that the collector will always be able to undertake the regular revision of settlement in addition to the charge of his districts.

If he can, then so much the better: if he cannot, he can either be relieved of all or a portion of the ordinary duties so as to leave him full time for this special work, or a separate and duly qualified settlement officer must be appointed. Where a separate settlement officer may be appointed, he should be an officer of adequate experience; and the allowances should be specially fixed with reference to his standing in the service, so as to secure his services in the departments so long as they may be required. It is better, his Excellency in Council considers, to avoid appointing junior officers to the important office of settlement officer. If the settlement be entrusted to the collector, then a settlement officer, or an assistant for settlement, may be appointed under him. Such an officer might conduct the field measurement, and such like preliminary operations; the collector might himself do the assessment, leaving it to the settlement officer, or the assistant, to arrange all details necessary in respect to the tenures, and to adjust the quotas of the new assessment to be paid by members of the village communities.

As a rule, the assessment of a district can be done in a more leisurely manner if it be made by the collector, than if it be made by a separate settlement officer, and there are often advantages in this particular work being done gradually. If the collector spread the work over two or more years, it is of less moment; but a settlement officer being a separate and special officer, must needs show considerable results in each year, and this may sometimes lead to the work being done too rapidly.

7. His Excellency in Council trusts that, under the foregoing instructions, the Government of the North-western Provinces will be able to arrange for the early formation of the establishments required for the early introduction of the permanent settlement. The prescribed schedules should be submitted for sanction in the usual form.

8. The views of the Government of India, on the general subject of the permanent settlement, will be communicated for the information of the Lieutenant Governor in a separate despatch.

From *E. C. Bayley*, Esquire, Secretary to the Government of India, to *R. Simson*, Esquire, Secretary to the Government of the North Western Provinces (No. 544); dated Simla, 8 June 1864.

HIS Excellency the Governor General in Council having maturely considered the written opinions of the Honourable the Lieutenant Governor and of the members of the Board of Revenue, concerning the conditions and limitations under which the permanent settlement of the land revenue may be most advantageously introduced into the North Western Provinces, and having conferred personally on the subject with his honour and the Board, directs me to communicate, for the information and guidance of the Local Government, the following observations and instructions:—

2. It must be premised that it is not now necessary to advert to the reasons for and against a permanent settlement in India. It has been decided by Her Majesty's Government that the measure shall or may be introduced into those parts of India which fulfil certain conditions laid down as necessary for its reception. Nor is it necessary to recapitulate those conditions here, as they are fully stated in the Secretary of State's despatch of the 9th July 1862. The present object of the Government is to confer upon the landholders of India the great advantages of a permanent settlement without undue sacrifice of revenue, and without the creation of future serious inequalities of taxation.

3. It is generally admitted that, with some exceptions, the districts in the North Western Provinces do, in whole or in part, fulfil those conditions, and are therefore entitled to the benefits of a permanent settlement. It is clear also that, before the assessment in any district is declared permanent for ever, it ought to be finally revised; and that as the term of the present thirty years' settlement in each district draws to a close, the opportunity should be taken of revising the assessment finally, with a view to its being declared permanent for ever.

4. But there will doubtless be whole tracts of greater or less size, such as apparently are the Terai and Lullutpore, in which, as compared with the country generally, agriculture is backward, and rent not fully developed, but which may be expected to improve in time as population and wealth advance. In tracts also where cultivation is not below the average standard, there will still be found both estates which, from particular circumstances, have deteriorated from their normal condition, and estates as yet imperfectly tilled, embracing a large extent of waste land not cultivated within the memory of man. Such tracts and estates must be considered as exceptional, as not fulfilling the conditions for permanent settlement, and therefore not yet entitled to its benefits.

5. But his Excellency in Council does not consider their occurrence as any impediment to the general introduction of the measure. The experience of the Lieutenant Governor in Behar that terminable assessments may co-exist with permanent assessments, without causing inconvenience, supports this opinion. All that is necessary is to select for permanent settlement such tracts and estates as are fit for it, and to postpone it in the case of those which are not. Unless this be done, then the result must be either that the measure will be postponed indefinitely until every estate in the district reaches a prescribed standard (which in many cases may never be attained); or else that superior estates will be denied the boon, because some estates in their neighbourhood are inferior; or else that some estates, which do not fulfil the conditions, will nevertheless be permanently settled, because they are situated in the midst of a district which generally comes up to the standard. Unless, therefore, the principle of selection be adopted, it is to be apprehended that, in many cases, there will be an undue sacrifice of revenue by some villages being admitted to permanent settlement without being fit for it; or else there will be a sacrifice of the rights of the people, who, though fit for the permanent settlement, will be denied the boon, because some of their neighbours are not yet fit.

6. The above remarks are doubtless applicable to some parts of the North Western Provinces, and to some villages in many districts of those provinces; they are probably still

more applicable to other parts of the Bengal Presidency, such as the Punjab, Oude, and the Central Provinces.

7. I am now briefly to indicate, in general terms, the manner in which his Excellency in Council conceives that the varying circumstances of tracts and estates of all kinds may be practically dealt with.

8. As regards undeveloped and backward tracts of country, which shall be determined by the Lieutenant Governor in consultation with the Sudder Board, to be unfit for permanent settlement, his Excellency in Council will not object to their assessment on the basis of their existing assets for a term of 30 years. Time will thus be afforded for their full agricultural improvement, and, at the same time, the final limitation of the revenue demand will not be deferred for too protracted a period. But in special cases it may still be advisable, even in such tracts, to grant a permanent settlement. For instance, in the Dehra Doon, where there is a demand for land by capitalists, his Excellency in Council is of opinion that it will be good policy to relinquish all future increase of revenue under equitable conditions. Thus, if the existing average rate of assessment on land, fit for tea or other cultivation, be one rupee per acre, during the term of 20 or 30 years' settlement, and for the sake of obtaining a final assessment, the proprietor shall agree to pay two rupees per acre for ever, the compromise should be sanctioned; for, whilst the proprietor is thus secured from all future enhancement of revenue, the Government is compensated by an immediate or early moderate increase.

9. Excluding these exceptional tracts, it is very desirable that the landholders in all others should be apprised of their ultimate liability to the imposition of land revenue. Even in the case of deteriorated or half-cultivated estates, it is important to pave the way for the introduction of the permanent settlement. For, if the revenue demand be limited prospectively, then the owner of an estate, which is temporarily settled for a fixed period, will yet know that, after the expiry of that period, there is a certain point above which the assessment will never be raised; that if he improves up to a certain standard, he will be assessed up to a certain sum and no more; and that whatever improvement may ever thereafter be effected, there will be no further increase of demand. Such estates, while settled temporarily for a fixed term, will thus have the benefit of a permanent settlement in prospect, after the expiry of that term. If such an arrangement can be effected, it will carry with it the same advantages, and be justified by the same reasons, as the permanent settlement itself.

10. The tracts or estates not yet fit for permanent settlement will be those where (in the terms of the Secretary of State's despatch) a large proportion of the land is still uncultivated, and which do not yield to the public treasury a return commensurate with their prospective capabilities. In this respect, then, our concern will chiefly be with estates in which there is much culturable land still uncultivated, or in which the cultivation is inferior to what it might be, or in which the general resources of the estate are not turned to the best account. Such estates are, according to the present system, usually assessed for a period of thirty years upon their existing assets, that is, upon their cultivated area as it now stands. In this way the assessment is made for the whole estate, including both the cultivated lands and the lands fit for cultivation, though uncultivated sometimes; when the culturable land is particularly good, and likely to be soon brought under cultivation, or, where it yields some valuable produce, such as superior sorts of grass, fuel, and the like, something may be added to the assessment of the whole estate. But, generally, the proportion of the assessment of an estate due to the culturable land is not large; and, in the main, the assessment is fixed with reference to the present cultivated area. It is reasonably expected that the assessment being thus fixed for thirty years, the landholder will have every inducement to bring the culturable land under cultivation, or otherwise develop the resources of the estate. If he do so, then no assessment is demanded on such additional cultivation or development for thirty years; and any claim on the part of Government for revenue, on such additional cultivation, is put off till next settlement.

11. In several of the districts of the North Western Provinces, settlements have recently been concluded; but as they have not yet been sanctioned by the Local Government, the arrangements can be revised under the present orders without any infringement of the terms; and as other settlements expire, they may be renewed on the principles now laid down.

12. Under the usual plan pursued by settlement officers, a district is divided into so many tracts. Each tract comprises estates of a similar character; there may be a variety of detail amongst the individual estates, but there will be a generic resemblance between them all in respect to those main features which determine their value, such as character of soil, kind of produce, means of irrigation, facility of transport, proximity of markets, supply of labour, breed of cattle, their fiscal history, and the like; some estates will be better cultivated than others; in some the resources will be better developed than in others; but the inherent capabilities of the estates are much the same, and therefore they will, or at least ought to, be able to pay much the same revenue rate per acre all round. Those estates, which being imperfectly developed, cannot yet pay this general rate, will, in due course, be able to do so when fully developed.

13. Now, inasmuch as it is laid down that the land tax in estates ought to be equal to half

half the assets received by the proprietors, or, in other words, half the rent or other income derivable by the proprietors from the land, it follows that the best possible basis for the revenue assessment is the rental. If the fair rental could be readily ascertained, it would supply perfect data for such assessment. But it is often difficult or impossible to ascertain accurately the fair and proper rent which a landlord does receive, or should be receiving from an estate. The returns of rent are frequently defective or untrustworthy. Again, many items of *bonâ fide* income from the land are not fully exhibited in the declared rental. In some parts of the country average rent rates exist and are well known; these furnish excellent guides for the valuation of estates. But in many portions of the country, especially where the proprietary body, for the most part, cultivate their own lands, rent rates are not generally known. Thus it happens that the settlement officer, while collecting and collating all obtainable statistics in regard to rent, must yet check or supplement the returns of rentals by assumed rates, which rates are deduced from the ascertained value and proceeds of the land. In this manner assumed rent rates and assumed revenue rates are obtained. In order, therefore, to determine details in each estate, there will be various revenue rates of assessment assumed by the settlement officer, such as a rate for irrigated ground, another for unirrigated; a rate for land fertilised by inundation, another for dry land; a rate for black soil, another for poor soil; and so on. So also there will be one rate for cultivated land generally, and another for culturable though uncultivated land. It is not to be expected that all the culturable land will be soon cultivated, or that it should at once pay the full rate of assessment on cultivation. A fair margin of culturable land will be allowed to the landholder, which should be assessed at some rate much lower than that of the cultivated area. The rate assessable on culturable land must be low. If the proportion of culturable land to the cultivated land be small, then the estate, being for the most part cultivated, will be fit for a permanent settlement. If the proportion of culturable land be large, then the estate, being less cultivated, will not be fit for permanent settlement. It may, his Excellency in Council considers, be generally assumed that those estates in which four-fifths of the culturable area are fairly cultivated are fit for a permanent settlement.

14. Then, having regard to all the circumstances of a tract, to its past history, its present condition, its future prospects; to its actual or probable rental, so far as that might be ascertainable; to the irrigation, the kinds of soil, the resources of the waste, and the like, allowing also for lands for pasturage, and other necessary objects, which might be left free of land tax, the settlement officer may fix one general rate per acre for the total culturable area, including land actually cultivated and land yet remaining to be cultivated. There may be various rates, as already mentioned, for the determination of details in each village, but the general acreage rate, as above described, may be employed as a standard by which estates may be valued either in the present or for the future. This general acreage rate should be fixed on a fair and moderate calculation, so that the average of well cultivated and developed estates may be able to pay it.

15. Regard should also be had to the fiscal history of the tract, to the actual pressure of the revenue on the estates of a fair average quality, so that the estimates of the assets of the estates may be checked by the data of positive experience. This general acreage rate, then, being the standard of valuation, the land revenue for all the estates in the tract might be fixed according thereto. The revenue (*jumma*) might be assessed accordingly for each estate, whether it were partly or chiefly waste. Thus, there would be obtained a fair valuation of the actual or the possible assets, and of the present or prospective capabilities of each estate.

16. In the foregoing remarks it is the intention of his Excellency in Council to exemplify one efficient method of fairly estimating the comparative capabilities of similar estates. But the experience of the revenue officers of the North Western Provinces will supply analogous processes for effecting the same end, and these may safely be applied under the superintendence of the Commissioners and the Sudder Board. His Excellency in Council would further urge the expediency of resisting the revenue demand on the land to a fair and moderate sum. This is a cardinal point which should be rigidly insisted upon. It is needless to enter upon details, but the cases of estates thoroughly irrigated from wells worked at great expense, of those so completely cultivated as to leave but a narrow margin of fallow land, and of those farmed by the industrious tribes. All present features which have frequently given rise to over-assessment and consequent depression of enterprise and exertion, which greater consideration of the circumstances might have avoided.

17. Having determined the assessment of all villages qualified for permanent settlement, the settlement officer will take from the proprietors the usual engagement, and, when confirmed by competent authority, such settlements will be in perpetuity and unalterable.

18. As regards villages not so qualified, the Governor General in Council desires that the following procedure may be observed:—

19. Where the proportion of good culturable waste exceeds, say 20 or 25 per cent. of the area under cultivation, a *jumma*, calculated according to the existing assets, and, in addition, a maximum *jumma*, deduced from an estimate of the full future assets of the estate, shall be fixed. The maximum *jumma* should not exceed the initial *jumma* by more

than from 25 to 50 per cent. The proprietors may engage for the maximum jumma or not, as they think proper. If they do engage for it, they must do so in perpetuity. The jumma will not be subject to revision, and the maximum will be leviable after 15 years. But it will rest with the settlement officer to decide by what steps, and at what intervals, the maximum shall be progressively demanded, whether in 5, 10, or 15 years, or otherwise. If the proprietors decline to engage for the maximum in perpetuity, then a settlement, terminable in 30 years, shall be made with them at the initial jumma.

20. It has been argued that if the proprietors be allowed the option of declining the assessment progressively rising to a maximum in 15 years, they will be tempted to refrain from the labour and care necessary to the fair cultivation of their lands. But I am to state that his Excellency in Council is of opinion that such a result need not be apprehended. Even, hitherto, every proprietor has known well that if he improved his estate, there would surely be increased demand on it. Notwithstanding this the landholders have improved, and do still continue to improve their estates. A proprietor may not be willing to bind himself to improve his land within 15 years to the degree entitling him to a permanent assessment, yet it does not follow that he will neglect its cultivation. In point of fact, there has been great agricultural improvement under the 30 years' settlements, and there is no reason to expect there will be less because the proprietors, not truly realising the advantages of a permanent settlement, or fearing the risks involved in the progressively advancing assessments, elect, as heretofore, for a 30 years' lease. Still, much will depend on the real moderation of the permanent demand. Wherever this is certain, there will be a strong incentive to the proprietor to engage in perpetuity. On the other hand, to compel the proprietors to engage for a maximum jumma within so short a term as 15 years, under penalty of alienation from the management of their estates, might, his Excellency in Council anticipates, in some cases, give rise to hardship. Moreover, although the proprietors have no legal title to demand a 30 years' settlement, yet the course of our administration has led the people to expect it; and if they decline the proffered settlement in perpetuity, and prefer one on the ordinary principles for 30 years, his Excellency in Council would not place them in what they might consider a disadvantageous position by making the permanent settlement obligatory on them.

21. Two cases have now been supposed in which the settlement may be temporary and terminable in 20 or 30 years. First, in tracts, the agricultural resources of which are imperfectly developed; secondly, in scattered estates imperfectly cultivated, the proprietors of which decline to engage for an assessment in perpetuity. In both these cases, his Excellency in Council is of opinion that the settlement officer should be required to record an estimate of the assessment which he considers should be levied finally and in perpetuity, wherever he may find that he has reasonable grounds for coming to a conclusion on the subject. This estimate, his Excellency in Council observes, would at any rate be of assistance in future assessments, and might be possibly of sufficient accuracy to be hereafter adopted without further measurements or inquiries as the basis of a permanent settlement.

22. It has been said that, as a general rule, villages in which the fallow land exceeds 20 or 25 per cent., cannot be considered fit for permanent settlement. As suggested by the senior member of the Sudder Board, any portion below that ratio may fairly be allowed to pass unquestioned; the grounds on which the per-centage fixed being recorded. Wherever this proportion is exceeded, the *quality* of the fallow land must be considered, as on this depends the facilities for reclaiming it. If there be reasonable doubt concerning its capabilities of cultivation, it should not be assessed, except for its spontaneous products. Otherwise, the assessment should be carefully proportioned to the quality of the land and to the labour and expense of reclaiming it. Great circumspection will be needed in not rating fallow land too high. In case of doubt, the settlement officer must incline to the lower estimate. The rates on assessable land in tracts and pergunnahs adjacent will afford a useful standard, but even that is liable to be excessive, seeing that the least profitable lands are generally the last to come under the plough.

23. In some parts of the country it may happen that tracts possessing facilities for the construction of wells are owned and cultivated by a poor or sparse population, and that these facilities have not been availed of. If the proprietors were admitted to a permanent settlement, and subsequently multiplied or became better off, it is probable that in no long time wells would be numerous, and irrigation extensive. In such a case, there would result an inequality of assessment as compared with other tracts irrigated from wells made prior to the permanent settlement. It does not seem possible to avoid such inequalities altogether compatibly with the speedy and general limitation of the revenue demand in perpetuity. The best remedy, in the opinion of the Governor General in Council, is not to place any check on the investment of capital in wells by taxing them specially when made, nor, on the other hand, to sacrifice revenue unnecessarily by doing away altogether with the high rates which have been paid on well irrigated land from time immemorial; but rather by carefully assessing land possessing facilities for irrigation with some advertence to this advantage, and by guarding against the incidence of excessive taxation on wells already at work.

24. Inequality of assessment is also liable to be produced hereafter in other parts by the extension of irrigation from canals. It is seldom that the water tax taken by the Canal Department

Department equals the full increase of revenue resulting from the irrigation. Generally, land so irrigated is rated by the settlement officer in a higher ratio than unirrigated land of the same quality. His Excellency in Council is of opinion that when such irrigation is already enjoyed, to change the practice of assessment might cause a needless loss of revenue, and would involve much trouble. Therefore, the case of estates receiving irrigation from canals, subsequent to permanent settlement, need alone be considered, and for this it is prescribed by the Governor General in Council that revised canal rates shall be imposed by the Canal Department, such as will not be unequal to the total demand on lands similarly irrigated prior to permanent settlement. In this manner future inequality of assessment will be prevented, and the fair market value be obtained from water supplied from the canals.

25. An ancient cause of unequal assessments is known to exist in the character and qualifications of the various tribes holding estates. Practically it has been found impossible to tax land held by Goojurs, Syuds, and Rajpoots at the same rates as may easily be levied from Jats and Koormees. His Excellency in Council believes it will be impossible to ignore the distinctions of race which render one tribe so inferior as farmers to another, and he concurs in the opinion expressed by the senior member of the Sudder Board on this subject, that whilst it may be impracticable to admit the bad cultivators to a permanent settlement on account of the backward state of their lands, yet their assessment may, in some instances, be brought nearer to the general standard by giving them the option of a settlement in perpetuity, provided they agree to pay such progressive increase of jumma as may be demanded.

26. The main points which demand attention in introducing a permanent assessment have now, it is believed, been touched upon. It appears to his Excellency in Council that, in the manner indicated above, many of the advantages of a permanent settlement may be conferred on the holders of estates not yet fully cultivated or developed; while no undue sacrifice of revenue will be entailed on the State. It is to be remembered that while the advantages of a permanent settlement are manifest, yet it has two drawbacks, namely, *first*, the surrender of revenue on the increased value of crops and improved cultivation; *second*, the surrender of revenue on lands culturable, or on waste possessed of valuable resources, which may hereafter be brought under cultivation, or be otherwise turned to useful account. It is agreed that the State may surrender properly the future revenue from improvement in the crops and in the style of cultivation, in consideration of the advantages derived from a permanent settlement; but the surrender of future revenue from the cultivation of land now uncultivated, or from the development of resources now undeveloped, cannot be advocated. The plan now proposed by his Excellency in Council will, it is hoped, save the State from any such sacrifice.

27. As regards the fixation of a maximum assessment available at pleasure to the proprietor of an estate temporarily settled, his Excellency believes that it possesses the advantage of supplying a motive and incentive to industry and enterprise, inasmuch as the landholder, while obtaining a fixed assessment for 30 years at all events, will know the utmost limit of possible revenue which can be demanded after the expiry of that term. It is, in the judgment of his Excellency in Council, this prospective limitation, even after the expiry of the term of settlement, which is the particular advantage of the plan now proposed, and which is calculated to insure many of the benefits that evidently attend any permanent limitation of the demand.

28. Doubtless, a settlement for any long fixed term does so far stimulate industry and improvement. A man knows that if he improves his estate, he is safe from increased assessment for 30 years. But still he knows that after that term there will be enhancement of revenue on account of improvements, though how much that will be he does not know. An indefinite prospect of increase at the next settlement is present to his mind. It is certain that this apprehension does, in some degree, retard improvements, and is especially operative as the term of settlement draws to a close. Moreover, he knows that though he is safe from inquiry for 30 years, yet *after* that he will be liable to re-settlement, and his assets will be inquired into; this knowledge also does, in some degree, practically deter people from effecting as much improvement as they otherwise would. But with the proposed plan, the future revenue on increased cultivation or improvement at next settlement will not be indefinite, but on the contrary will be strictly limited, not only for the next settlement, but for all time hereafter. Nor will there be any apprehension of re-settlement and future inquiry; on the contrary, it will be known that if the maximum assessment be accepted, there will be no re-settlement and no future inquiry. Thus a man will know that he is safe from increased demand for a fixed term, and that after that he will not be charged with more than a certain limited increase, however much he may improve his estate now or hereafter. There can be no doubt that such a prospect will promote exertion and enterprise, both during the 30 years and during the period after that; the advantages will be quite intelligible to the people, and will be probably appreciated by most of them; and if the maximum increase be previously fixed at fair and moderate rates, it will probably be accepted without any further inquiry being asked for. To those who have sufficient intelligence and foresight to appreciate the advantage a powerful stimulus will be supplied, and those who do not appreciate it will in no wise be obliged to accept the terms. No increase will be demanded of them without inquiry at

the next settlement. If they do not accept the maximum previously fixed, they may have a fresh inquiry, and a re-settlement will be made according to that.

29. In short the question may be put thus—

Every intelligent landholder, under a temporary settlement, who improves his estates, knows that at the next settlement there will and must be an increase of revenue.

Will a man then, foreseeing this, prefer an indefinite prospect of unknown increase *with* re-settlement and inquiry, which will be the case without the plan now prescribed?

Will he prefer a known fixed increase which will never under any circumstances be enhanced, and which may be accepted without re-settlement and inquiry, which will be the case with the plan now prescribed?

His Excellency in Council thinks that he will certainly prefer the latter, and that he will be thereby induced to improve his estate.

30. It may be thought that the native landholders are, by idiosyncrasy and character, disinclined to *work up* to a certain pitch of improvement, even though there be thereby a hope of obtaining a permanent settlement. It seems to the Governor General in Council that this will entirely depend on whether the ultimate limit of demand be moderate or not. If it be *not* moderate, or it be excessive, then of course the proprietor will not work up to it, because it will be against his interest to do so. If it be moderate, or if it be light, then he may be expected to work up to it, because he knows that, having once done that, he will hereafter secure to himself the exclusive benefit of further improvement.

31. Again, it may be thought that the people will regard the known limit of increase as the consequence of improvement, and will, therefore, keep improvement just below that limit so as to avoid the increase. But any such idea on the part of the people would be a mere misapprehension. If a proprietor does not think it worth his while to accept the maximum assessment without inquiry, and considers that he has not effected enough improvement to justify the increase, then he has only to decline it, and to reclaim an assessment on the assets of that time; but then such re-settlement will not be permanent, unless the assessment come up to the amount originally fixed: if it be less than that, it will be fixed only for a specified term.

32. His Excellency in Council has thought it proper to give thus, at length, the reasons for permitting the fixation of the permanent demand on estates, whether the proprietors agree to engage for it or not, as he considers that by this arrangement many of the advantages of the permanent settlement are held out to the landholders. And the Governor General in Council believes that, in the manner which has now been described in general terms, the permanent settlement may be carried out to a great extent without long postponement; and the principles so justly insisted on by Her Majesty's Government most beneficially applied to the actual circumstances and condition of the country.

CIRCULAR ORDER, No. 18 of 1864.

From the Officiating Secretary, Sudder Board of Revenue, North Western Provinces.

Sir,

Dated Allahabad, 1 August 1864.

Present:
W. Muir, Esq., senior member.
R. Money, Esq., junior member.

THE Sudder Board of Revenue, North Western Provinces, under instructions from Government, are pleased to publish, for the information of all officers employed in the Settlement Department, the accompanying Despatches directing the formation of a permanent settlement of the land revenue in these provinces, and embodying the views of his Excellency the Viceroy and Governor General, as to the principles under which it is to be carried into effect.

2. At the same time the Board, in pursuance of the wishes of Government, issue the following subsidiary instructions:—

3. Districts or tracts of country may be divided broadly into two classes:—

First, backward in agriculture, with low rates of rent.

Second, those which are more or less advanced in both respects.

4. To the first or backward class, the permanent settlement will not, for the present, be extended. The existing rules and procedure for their settlement are not therefore affected by these orders, excepting in one respect which is noted below, paragraph 17. The local government will determine as they come under re-settlement what districts or tracts belong to this class, of which the settlements will continue to be made for a term of 20 or 30 years, as the case may be.

5. Districts, or tracts of country, belonging to the second class, will be admitted to the privilege of a permanent settlement under the following conditions:—

6. Estates in these districts belong to one of two kinds: (1) those which are fully or fairly cultivated; (2) those which have never been fully cultivated, or having been so, have from any cause become deteriorated.

7. As

I. Backward tracts excepted from permanent settlement.

II. Other districts ready for permanent settlement.

Village divided into two classes.

7. As a general standard, from a fifth to a sixth of the total cultivated and culturable (malgoozâree) area may be allowed as a margin for fallow land; where this is not exceeded an estate will fall into the first class. If, on the contrary, the culturable but uncultivated land exceed 20 to 25 per cent. of the cultivated area, the estate will fall into the second class. These proportions are not laid down absolutely, but as an approximate standard. Where land is good, and water available, the margin for waste may be equitably fixed at even a smaller proportion; where the soil is poor and dry, and especially where it must be left fallow in rotation, the proportion may, if necessary, be extended. Wherever the settlement officer may see occasion to fix the margin for a district or part of a district materially above or below the percentage indicated, he will state his reasons for so doing in his general report; and similarly wherever he treats an estate having more than the prescribed proportion of waste as of the first class, or *vice versâ*, he will detail his reasons at length in the "miscellaneous remarks" in the village-Statements II. and III.

Principle of classification.

8. Of the first class, that is of villages having a sufficient portion of their area cultivated, the assessment will be formed under the standing instructions, precisely as if the settlement had been one for 30 years. The procedure detailed by his Excellency as illustrative of the manner in which an effective standard of comparative values may be secured*, will be perused with interest by settlement officers, who will recognise therein a process with the use of which they are familiar. The earnest instructions† as to the necessity for keeping the assessment moderate, will not be lost upon settlement officers; and this consideration is the more urgent where from high farming an estate has reached, or nearly reached, the culminating point of production; for in the chances of the future, any material change in its fortunes must be on this side of deterioration, and for such contingencies in the formation of an assessment which is to last for time, some allowance must be now made. The converse case of villages cultivated in an imperfect manner by idle castes will be noticed below. (Paragraph 18.)

First class, or estates sufficiently cultivated.

* Paras. 13-15, of the Government India letter, No. 544.

† Para. 16.

9. The only material difference, then, in respect of the new procedure for the class of estates under notice is that the engagement (*durkhast*) will be taken in perpetuity. A specimen form will be circulated hereafter.

Para. 17.

10. For the second class of villages, that is, where the proportion of culturable but uncultivated land exceeds the proportion above contemplated, the assessment will be fixed also under the existing rules, with this exception, that a special advertence must be had to the culturable waste land, and a suitable addition made to the juma in reference thereto. In conceding the benefits of a permanent assessment, his Excellency has laid down that "the surrender of future revenue from cultivation of land now uncultivated, or from the development of resources now undeveloped, cannot be advocated." Waste culturable land when it exceeds the prescribed proportions, must therefore bear a certain amount of assessment, to come into operation within any period not exceeding 15 years.

Second class: imperfectly cultivated villages.

11. The cautions enforced by the Governor General‡ against overrating the waste, must be carefully observed in order to guard the settlement officer against the danger of pitching the prospective assessment too high. "The *quality* of the fallow land must be considered, as on this depends the facilities for reclaiming it. If there should be reasonable doubt concerning its capabilities of cultivation, it should *not be assessed* except for its spontaneous products. Otherwise the assessment should be carefully proportioned to the quality of the land, and to the labour and expense of reclaiming it. Great circumspection will be needed in not rating fallow land too high. In case of doubt the settlement officer *must incline to the lower estimate*. The rates on assessable land (*malgoozaree* rate) in tracts and pergunnahs adjacent will afford a useful standard; but even that is liable to be excessive, seeing that the least profitable lands are generally the last to come under the plough."

‡ Para. 22. Cautions to be observed in the prospective assessment of the waste.

12. In pursuance of the inculcation contained in the last sentence, the assessment for each estate, calculated at the *malgoozaree* rate of the new juma of the pergunnah or class, will always be entered in the "miscellaneous remarks" in the village statements II. and III., and in case of any material departure from the same, it should be explained.

13. The sum to be thus assessed prospectively should not, under ordinary circumstances, exceed from 25 to 50 per cent. of the initial Juma. Where, for any special reasons, the settlement officer may recommend a higher sum than this, the reasons for so doing will be fully detailed in the settlement report.

Para. 19. Limits of the prospective increase.

14. Whenever the immediate assessment of a sum not exceeding 60 per cent. of the estimated average assets, would secure a juma fairly adequate to the value of the estate, including the waste land, it will be better to assess such sum at once, rather than resort to a rising assessment. In this case, the settlement will be concluded as directed for villages of the first class. Otherwise, the increase may be appointed to take effect in one or more terms; but so as that the whole shall in any case come into effect at latest within 15 years.

15. Where the Juma is thus graduated, the proprietors may engage for it or not, as they think fit. If they do engage, it will be, as in the first class, in perpetuity. If they decline, "then a settlement, terminable in 30 years, shall be made with them at the initial

Option to be left to proprietors.

Juma." Such initial Juma will, in this event, be nothing more or less than the assessment which, under existing rules, would have been made, had no permanent settlement been proposed. It will be at the half asset standard, but will of course, as heretofore, have due reference to the waste lands, where there is a prospect of early reclamation, and to the capacities of the estates generally.

Villages too backward for such prospective assessment, to be settled as before.

16. Where the amount of fallow land is so great that an adequate assessment could not be framed under the above rules, such estates will be altogether excluded from their operation, and a settlement made under existing rules for 20 or 30 years, as may be directed.

Para. 21.
Where the settlement is temporary, the settlement officer, if possible, to declare what a suitable permanent juma would be.

17. But in all cases whether of backward tracts, or backward villages, or of estates, the proprietors of which decline the rising assessment, the Governor General is desirous that the benefits of a prospective limitation in perpetuity of the Government demand may, in so far as practicable, be secured: and this is contemplated by requiring the settlement officer, wherever he is in possession of data sufficient for the purpose, and feels that he can safely hazard an opinion, to declare at what limit the permanent assessment should eventually be fixed. This, though not in any measure authoritative, will remain on record. As such estimates will "at any rate be of assistance in future assessments, and may possibly be of sufficient accuracy to be hereafter adopted without further measurements or inquiries as the basis of a permanent settlement," all officers in the department will perceive how responsible and difficult a duty is here imposed upon them. Wherever grounds exist, they will not shrink from recording their opinion of what appears to them a suitable ultimate assessment; at the same time they will not venture upon any mere conjectural process, and endanger the interests of the Exchequer on the one hand, or of the people on the other by crude or random attempts, or even by careful and laborious calculations where the materials for a prospective judgment may be absolutely wanting.

Assessment of villages badly cultivated by idle classes.

18. The above instructions contain the general principles to be observed in the application of this great measure to the land revenue settlement of these provinces. Without attempting a theoretical and absolute equality of incidence, the object is to secure as great an uniformity as can practically be attained. There will still remain villages in which the uniformity will be only approximate. One of these is alluded to in paragraph 25 of the Governor General's despatch, viz., estates cultivated by improvident and idle classes. To assess these at the same acreage rate as that of similar villages cultivated by the industrious and skilful castes, however equitable in theory, would be tantamount to the wholesale eviction of the proprietors. Yet by careful consideration it may not be found impossible to bring the procedure now introduced to bear even upon such estates. Without insisting on an impossible equality on the one hand, or consenting to an unjustifiable relaxation of the Government demand on the other, the general standard of the Pergunnah or class may be so nearly approached as to warrant the offer of the terms in perpetuity.

Para. 25.

Para. 24.
Canal irrigation.

* See C. O. No. T., dated 17th August 1861.

19. The instructions as to the assessment of lands available for canal irrigation, support the principles already laid down by the Board,* viz., that the revenue is to be assessed, as elsewhere, on the estimated average rental. The provision for securing higher water rates on tracts brought subsequently to settlement under the influence of canals will be the care of the irrigation department.

Para. 11.

20. The case of districts the assessment of which has been already completed, in whole or in part, has been anticipated in paragraph 11 of the Governor General's orders. It will be necessary for the collector or other officer charged with the conduct of the settlement, to review the whole of the assessments in the light of the present orders. He will first settle for the district, or for each Pergunnah, the exact per-centage of waste which may suitably be allowed as a margin, and he will make a list of the estates in which this per-centage is exceeded. He will then, with reference to the actual character of the waste, determine whether any and what prospective addition is to be made for it, and in what term or terms it should take effect. If the proprietors agree to the terms, engagements will be taken from them in perpetuity, otherwise the engagement will be held to be temporary for the original term. But his review will not be confined to these estates. In every case he will, upon a consideration of the grounds of assessment and capacities of the estate, as shown in the settlement records, or otherwise ascertained, determine whether the assessment is fit to be recommended for confirmation in perpetuity or not, and he will note the same in the remarks to Statements II. and III. This is evidently necessary as there are many estates in which for reasons other than the extent of waste, the settlement officer has allowed the assessment to stand below the general average.

21. For carrying out these inquiries if any special establishment is found necessary, the collector will report what is required.

22. In all cases of reporting settlements, the amount of the assessment engaged for in perpetuity, will be shown separately from that temporarily settled; and in the general Statement, No. IV., the two classes of villages will be distinguished by the letters P, and T, entered after the serial numbers.

Alluvial lands.

23. Special rules will hereafter be issued in respect of the terms on which lands subject to fluvial action are to be settled.

24. The

24. The instructions now communicated will, the Board trust, be found amply sufficient for the guidance of all officers in the department. Wherever any doubt or uncertainty may be felt, Commissioners and settlement officers will freely communicate with the Board. The Commissioners will observe the prominent position assigned to them in the first despatch of the Supreme Government, No. 543. The effective check and supervision there required, does not indeed differ from what under the standing rules has always been expected from them; but enforced as it now has been by the high authority of the Viceroy, the Board look to Commissioners redoubling their efforts, so that the great measure now resolved upon shall be carried out by every grade in the department with the care and intelligence, the industry, devotion and energy, which it so emphatically demands.

I am, &c.
(signed) *W. C. Plowden*,
Officiating Secretary.

ABSTRACT.

Board, under instructions from Government, publish for the information of all officers employed in the settlement department, the despatches directing the formation of a permanent settlement of the land revenue in the North Western Provinces, and embodying the views of his Excellency the Viceroy and Governor General as to the principles under which it is to be carried into effect; and issue subsidiary instructions in pursuance of the wishes of Government.

(Home Department.—Revenue.—No. 20 of 1864.)

To the Right Honourable Sir *Charles Wood*, Bart., G.C.B., Secretary of State for India.

Sir,

WE have the honour to transmit, for your information, a copy of correspondence with the Government of the North Western Provinces, as noted on the margin, on the subject of reserving the right of Government to Mines at the coming Permanent Settlement.

We have, &c.
(signed) *John Lawrence*.
R. Napier.
H. B. Harington.
H. S. Maine.
C. E. Trevelyan.
W. Grey.

From Government
North Western
Provinces, No.
1237 A, dated 5th
October, and
enclosures.
To Government,
North Western
Provinces, No.
5944, dated 1st
December.

Fort William, 5th December 1864.

(Revenue Department.—No. 1237 A of 1864.)

From *R. Simson*, Esq., Secretary to the Government of the North Western Provinces, to *E. C. Bayley*, Esq., Secretary to the Government of India, Home Department; dated Nynee Tal, the 5th October 1864.

Sir

I AM directed to forward, for the information of his Excellency the Governor General in Council, the accompanying copy of a note drawn up by the Senior Member of the Sudder Board of Revenue, North-Western Provinces, on the expediency of reserving the right of Government to Mines at the coming Permanent Settlement, together with the copy of a Minute recorded by the Lieutenant Governor on the subject.

I have, &c.

NOTE on the expediency of reserving the Government right to Mines at the coming Permanent Settlement, by *W. Muir*, Esq., Senior Member of the Sudder Board of Revenue, North-Western Provinces.

ON the eve of a permanent settlement, it seems proper to consider whether the settlement should convey, as has been ruled in Bengal, an absolute right to mines, or whether the right to mineral produce beneath the surface, or at least to metals and coal, should not be reserved.

In the "official papers" attached to the Calcutta Gazette of 12th February 1862, the question has been discussed as respects Bengal; but the discussion turns mainly upon the nature and terms of the permanent settlement, as it there exists, rather than upon what

those terms should have been. It has consequently been decided that in Bengal there can be no reservation of any future right to tax the mineral products; and in view towards "the removal of every impost which can have the effect of discouraging the working of mines by their owners, or of raising the price of coal to consumers," the Government has further relinquished its right to derive revenue from coal in unsettled estates being private property, or to include in the future settlement of any such estate the produce of coal mines as an asset of the same.

This latter argument assumes that the proprietor of the surface of the soil is equally the proprietor of all that lies below it, to whatever depth; and that it would be inexpedient to throw any impediment in the way of his making the most of the subterraneous products.

But there is nothing in the nature of property in these parts, nor in the settlements made by Government, or the general course of the administration, which would lead to the conclusion that the property in the soil recognised, or conferred, by the British Government, carried more with it than the right to the surface, and the products which lie upon the surface, or at least within the upper stratum of the soil.

For example, the right of the zemindar to kunkur, a formation on the surface, or a little below it, has always been admitted, "Every proprietor has a right to quarry the kunkur himself, and to use or sell it." He can make what terms he chooses with persons who seek to dig for it*.

So with stone quarries. The Government has not asserted any right of ownership, excepting at Mirzapoor, in stone found upon the surface, or below the surface; and the zemindars make their own terms with persons engaged in quarrying†.

The same right ordinarily extends to lime-pits, saltpetre, kharee, &c. A paper by Mr. E. A. Reade‡ on the salt question in the Benares division, shows that, barring some specially excepted tracts, the title to the proprietary right in the saline surface is vested in the zemindars, though it was not taken into account as an asset of settlement. The same remark applies generally to these provinces.

The only localities in which (excepting metals) the right of Government to the surface minerals has ever been reserved by Government, appears to be in the jungle grants. (See form of grant, pp. 454 and 456 of "Direction to Collectors.")

The case is different in respect of metals; but here we have the difficulty that mines or quarries for these are practically unknown in the regulation provinces. Wherever they occur in the non-regulation provinces, they are, I believe, held to be entirely distinct from the ordinary zemindaree title, and are farmed on the part of Government. (See notice on "the Iron and Copper Mines of Kumaon," p. 70, vol. 3, of the Selections.) The same course has, I believe, been followed wherever iron is manufactured. The diamond mines of Myra (since given up to Punna) were held, I think, to vest in the resident communities, the Government confining themselves to a royalty; but that might be held more of the nature of a surface deposit.

Upon the whole, I believe that nothing in our settlements has led to the expectation that the zemindaree right conveys any title to deep and subterraneous quarries, or to metals, whether on the surface or under ground. It seems, therefore, very necessary that, while it is contemplated to make a settlement not only of the land revenue, but of the proprietary title in perpetuity, as against the Government, it be clearly defined in whom shall vest the right to deep mines and metals.

The decision in Bengal of resigning the title to the zemindar, unfettered by any tax to Government, was based on the desire to place no obstacle in the way of the development of the resources of the country. But the question there was rather,—granting that the proprietary title rests with the zemindar, and that he consequently is the person who would work the mines, or by whose permission they would be worked, is it expedient to burden it with a tax present or prospective? The question here is different, for (if the above premises be accepted) we do not admit any proprietary right at all.

Is it then expedient to relinquish to the zemindar the exclusive title to work such mines? If this question were answered in the affirmative, I would concur with the ruling in Bengal that the less the right be burdened with any tax present or prospective, the better. But I question the expediency of any such relinquishment. As a rule, the zemindar will not be the person to make the discovery of the presence of minerals, or, having made it, to work them. His action, therefore, so far as we give him a title now, will be simply obstructive; and the tax he levies an additional impost, which will go to raise the price of the material to the public.

I hold therefore that it will be politic and in the interest of the public to reserve to Government the sole and exclusive title to all mines of metal and coal, which Government would then be free to farm or lease on any terms that might be deemed best.

The zemindars should of course be secured from unnecessary intrusion, and his title admitted to full compensation for any loss occasioned by the opening up of mines or quarries; and this might be done by requiring a procedure to be followed in each case of lease or authority to work analogous to that prescribed for the taking up of land for public works under Act 22, 1863.

Perhaps

* See letter of Secretary to Government, No. 730, dated 19th February 1852; p. 243, Vol. II. of Thomason's despatches.

† See a collection of papers on the subject in the "Selections from Public Records, Vol. II., pp. 178 to 193."

‡ Note on the Salt Lands of the Jounpoor District, dated 13 January 1854.

Perhaps it will be hardly worth while to enter any stipulation to the above effect in the zemindar's engagement; for, at the present day, the question of mines for coal or metals is one that practically is never thought of. It may be better to enter the provision in the enactment which I presume the Government will pass to provide for the formation of a permanent settlement.*

All rights to surface productions, stone quarries, &c., at present enjoyed, should of course stand as they are; and the exceptions be confined to mines for coal and metal.

The discussion of this question need not interfere with the issue of the orders laying down the principles and procedure for permanent assessment, which it is of extreme importance should issue soon, seeing that the settlement is in full progress in so many quarters.

Allahabad, 14 May 1864.

(signed)

W. Muir, Senior Member.

P.S.—It has been urged in the course of the discussion as regards Bengal, that in England the right to subterranean products is private property, and is connected with the title to the surface. But I apprehend that England is an exception to the general law on the subject. There is certainly no reason in the nature of things why property should exist under such conditions. And as the custom of the country here certainly involves no connection of subterranean right with the title to the upper surface of the land, the relinquishment of its right by Government could only be justified by expediency, and expediency lies all the other way.

(signed)

W. Muir, Senior Member.

* See paragraph 79 of my note on the permanent settlement, dated 5th December 1861.

MINUTE recorded by the Honourable the Lieutenant Governor of the North Western Provinces, on the Reservation of Right of Government to Mines and Minerals.

BEFORE entering upon the question of the expediency of reserving the Government right to mines in the North Western Provinces, at the coming permanent settlement, it seems necessary to determine whether any such right exists.

Mr. Muir observes "that there is nothing in the nature of property in these parts, nor in the settlements made by Government, or the general course of the administration, which would lead to the conclusion that the property in the soil recognised or conferred by the British Government carried with it more than the right to the surface and the products which lie upon the surface, or at least within the upper stratum of soil;" and in a P.S. he adds:—

"It has been urged in the course of the discussion, as regards Bengal, that in England the right to subterranean products is private property, and is connected with the title to the surface. But I apprehend that England is an exception to the general law on the subject. There is certainly no reason in the nature of things why property should exist under such conditions; and as the custom of the country here certainly involves no connection of subterranean right with the title to the upper surface of the land, the relinquishment of its right by Government could only be justified by expediency, and expediency lies all the other way."

I am unable to assent to this reasoning; I believe the law of England in this matter to be no exception to the general law, which is founded on reason and the nature of things, and everywhere rules that *cujus est solum ejus est a cælo usque ad centrum*; and it seems to me that the very facts quoted by Mr. Muir in support of his views clearly show the universal admission of this principle in India as elsewhere.

No doubt, under previous Governments, the right to mines and minerals was vested in the State, but so also was the right in the soil; when, however, the British Government divested itself of its right to the soil, and conferred it upon private parties, it would require some very clear and distinct evidence of intended reservation of mines and minerals to show that the grant was not complete, and to justify any present claim to rights which are inherent in the soil.

But, far from our having any such evidence, it is all the other way; in all the instances cited by Mr. Muir, the principle has, it seems to me, been recognised that, except as owner of the surface, the Government has no right of property in that which is beneath it.

Mr. Muir, indeed, admits the property of the zemindar in products which lie upon the surface, or at least within the upper stratum of the soil, as proved by the action of Government in regard to kunkur or stone quarries, excepting those at Mirzapore, which Government retained in their own possession; but why should the upper stratum of the soil be the limit, and how is the extent of that upper stratum to be determined? Some of the stone quarries in the Agra district are 20 cubits deep.

The reason of the general law is obvious; without a distinct reservation of right, it would not be possible to arrive at subterranean products, without disturbing the surface or the upper stratum of the soil, the property in which is in the zemindar; and therefore, even admitting the existence of a right, it could not be used without reservation of a right of entry, and must therefore become void.

Mr. Thomason includes kunkur with other manorial rights under Sayer; and Mr. E. A. Readeshows in his note that sayer or sewai collections belong to the proprietors of land throughout the ceded and conquered provinces, as expressly declared by Regulation 9 of 1825, but he considers the sayer to have been excluded from the settlement in the province of Benares, though I am not quite sure, from the wording of clause 2, section 5, Regulation 27 of 1795, "Sayer collections or any other internal duties," whether this opinion can be sustained.

Be that as it may, if the Government admits mines and minerals to be part of the manorial rights of proprietors of land generally throughout the provinces, they would scarcely think it expedient to assert a separate right now in the province of Benares.

The state of things in Kumaon and Gurhwal is in perfect accordance with the above views. There the manorial rights, and in jungle lands the entire property, has been distinctly reserved by Government, and they are, therefore, at perfect liberty in those districts to deal with the question as may appear most expedient.

As a question of expediency, I am not in favour of any further reservation than that which now exists, even if it were possible. The decision arrived at in Bengal is, in my opinion, the dictate of sound policy, and to have a different rule in these provinces would in itself be inexpedient. The action of the zemindar may prove simply obstructive, but it seems to me more reasonable to suppose that in this, as in everything else, individuals will be governed by the overruling influence of self-interest, and that if it is obviously advantageous to work a mine, the proprietor of the land will assuredly do so; such tax or royalty as he may levy, being rather a reduction of profit to the workers than an enhancement of price to the public, who will, under any circumstances, be made to pay as much as they will consent to give.

(Home Department.—Revenue.—(No. 5944.)

From the Honourable *R. N. Cust*, Officiating Secretary to the Government of India, to *R. Simson*, Esq., Secretary to the Government, North Western Provinces; dated Fort William, the 1st December 1864.

Sir,

I AM directed to acknowledge the receipt of your letter, No. 1237, dated the 5th October, forwarding a copy of a Minute recorded by Mr. Muir, the senior member of the Sudder Board of Revenue, North Western Provinces, on the expediency of reserving the right of Government to mines at the coming permanent settlement.

2. The Governor General in Council is of opinion that, where the surface land has been declared to be private property, the ownership extends to all beneath the surface, unless some special and distinct reservation to that effect has been made, which his Excellency in Council believes is not the case in the North Western Provinces.

3. The Governor General in Council is, however, of opinion that, wherever a permanent settlement has not been made, there the State, in making such a settlement, has clearly the right to reserve its lien (*i. e.*, its lien, *quoad revenue*) on the produce of any mines which may at the time be known, or which may subsequently be discovered; that is, that the Government can claim a share of the produce of such mines as revenue.

4. The Governor General in Council is disposed to think that such a reservation, in the greater part of the North Western Provinces, is scarcely worth consideration; but that to give it up there, and reserve it in other provinces, such as the Punjab, the Central Provinces, &c., would prove inconvenient. On the whole, therefore, the Governor General in Council would reserve the right, and enter a clause to that effect in the settlement papers.

5. But whenever the proprietary right in the land clearly belongs to the State, as in the case of waste lands, the Governor General in Council would carefully reserve such rights, and make the most of them, consistently with fair and liberal dealing.

I have, &c.

(signed) *R. N. Cust*.

Officiating Secretary to the Government of India.

(Revenue.—No. 11.)

To His Excellency the Right Honourable the Governor General of India in Council.

India Office, London,
24 March 1865.

Sir,

Para. 1. I HAVE had under my consideration in Council the Despatch from your Excellency in Council, dated the 8th June last (No. 12), relative to the proposed permanent settlement of the land revenue in the North Western Provinces of the Bengal Presidency, and I now proceed to communicate to you the conclusions at which Her Majesty's Government have arrived on this important subject.

2. It is unnecessary to renew the discussion as to "the reasons for and against a permanent settlement for India," which formed the subject of my despatch of the

the 9th July (No. 14), 1862. The question now before me resolves itself into these two points; first, what parts of India, or, rather, of the North West Provinces, fulfil the conditions required in that despatch as indispensable preliminaries to the introduction of a permanent settlement? and, secondly, what is the proper mode of introducing it into those districts which are either wholly or partially prepared for it?

3. Now, in regard to the first question, it will be found that all districts will fall under one of the three following divisions, viz. :—

First, districts in which agriculture is backward, population scanty, and rent not fully developed.

Secondly, districts in which the estates are so fairly cultivated, and their resources so fully developed, as to warrant the immediate introduction of a permanent settlement.

And, thirdly, districts which comprise a large number of estates sufficiently cultivated to justify the introduction of a permanent settlement, while, at the same time, they contain also a considerable proportion of estates with resources imperfectly developed, which, consequently, could not be permanently settled on their present assets without entailing a prospective loss to the State.

4. With regard to the first two classes of districts, no difficulty exists. Permanency of settlement will be refused to the first, and granted to the second, if there should be any such. It is as regards the third class, in which estates fitted for immediate permanent settlement are intermingled with others which are still in an imperfectly developed condition, that the real embarrassment is found. In regard to these, your Excellency observes :* “ It seems to me necessary to select those villages or estates which are fit for permanent settlement, and to postpone the measure in those which are not so fit. Unless this be done, then the result must be either that the measure would be postponed indefinitely, until every estate in the district reached a prescribed standard (which in many cases might never be attained), or else that some superior estates would be denied the boon because some estates in their neighbourhood were inferior; or else, that some estates, which did not fulfil the conditions, would nevertheless be permanently settled because they were situated in the midst of a district which generally did come up to the standard.”

* Minute, para. 12.

5. The problem to be solved is, therefore, how to give to estates, situated in a district generally ripe for a permanent settlement, but which, from imperfect cultivation, are at present not in a condition to pay a fair permanent jumma, the advantages which a permanent settlement is assumed to hold out, without any undue sacrifice of the prospective resources of the State. I observe that it is generally admitted on all hands that an estate, in which actual cultivation amounts to about 80 per cent. of the total cultivable or malgoozaree area, may be fairly held to have fulfilled the “ prescribed conditions,” and to have come up to the “ standard,” necessary to entitle it to a permanent settlement on the existing assets.

6. The plan suggested in your Excellency’s original minute (paras. 16 to 18) is very simple and intelligible. You propose that two amounts should be declared; the one, “ the sum fixed on existing assets, and to be paid during the 30 years’ settlement;” and the other, “ the full sum ultimately assessable on the estate, supposing its resources to be fully developed, which sum would be the maximum demandable at the next settlement.” If accepted by the landholder at the termination of the existing settlement, this latter sum would be the perpetual assessment of the estate. If not so accepted, he may still demand a resettlement, “ after inquiry in the usual way, on the assets and the cultivation as they might be found to exist at that time.” This latter assessment, if lower than “ the maximum previously fixed,” would not be declared permanent. I presume that under this plan the same process might be again gone through at the expiration of the next 30 years, the maximum or permanent assessment still remaining on record, binding on the Government, and liable to be claimed by the landholder whenever it should suit his convenience to accept it.

7. Mr. Harington “ doubts whether what is proposed would be as effectual as
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supposed, and whether, without some greater degree of certainty that the measure would be successful than," he thinks, "exists, the Government would be justified in binding itself, while leaving perfect freedom of action to the other party to the contract." "Upon the whole, he is disposed to doubt the expediency of the Government tying itself down in any way, or coming under any positive engagement, in respect of estates which are not as yet in a condition to warrant their being settled in perpetuity." Mr. Harington does not, however, propose any alternative plan of settlement.

8. Mr. Muir, the senior member of the Board of Revenue, North West Provinces, discusses the whole question at great length, and objects altogether to "the scheme of leaving the settlement to be accepted at a future period, and, if refused, making it then open to revision," which, he thinks, "would, in a certain measure, forfeit the important benefits of an absolutely permanent settlement." He, therefore, proposes that "the permanent settlement be concluded at once with the zemindars, and that the highest term or maximum demand be not deferred for a period exceeding 15 years." The settlement officer is to be at liberty, in the case of imperfectly developed estates, to allow a temporary abatement, so as to make the maximum take effect in 5, 10, or 15 years, never exceeding the latter period. The zemindar would be called on to execute the agreement based on these terms; and "in any case of refusal, that is, where the zemindar should accept the present abated assessment, but decline the prospective maximum, he should be allowed to hold on for the preliminary term. At its close, he might again be allowed the option of engaging at the permanent demand; and, if he still refused, the estate might be farmed in the ordinary manner, as for recusance. In short, there would be no opening for revision. The assessment, once fixed, would be final." Mr. Muir is of opinion that "15 years is a quite sufficiently long period to admit of the development of backward estates in those parts of the country to which the present remarks refer. Any expected improvement stretching beyond that period must belong to the region of distant speculation, and in the practical work of settlement will be far more safely left altogether out of account."

9. Mr. Money, the junior member, says, "The most important and peculiar feature of his Excellency's scheme is the present assessment, on estates not sufficiently developed for settlement in perpetuity on existing assets, of a kamil juma, which, at the option of the proprietors, may be declared perpetual after the expiration of 30 years. I regret that I am unable to concur in the expediency of this arrangement. If two jummas, one slightly higher than the other, were fixed on any estate, and the native proprietor were allowed the option of engaging for 30 years for the payment of the lower juma, with the condition that, at the expiration of that term, the estate would be liable to re-assessment on its assets, whatever they might be, or of engaging permanently for the higher juma, he would elect for the temporary settlement, and trust to chance for the future." Mr. Money accordingly comes to the conclusion that every settlement which is intended to be permanent should be definitively engaged for at the time of settlement," all other estates being temporarily settled under existing rules. All estates "whose present assets are not sufficient for the immediate assessment thereon of a kamil juma" should be placed on a rusuddee, or gradually increasing settlement, the demand of the kamil (or maximum) juma, to take effect at a period not later than 12 years from the date of settlement, in exceptional cases the period to be extended to 15 years. "In all cases where an estate was held to be susceptible of permanent settlement under the rules above proposed, the proprietors should be called on to enter into engagements accordingly, and should not be allowed the option of electing for a temporary settlement. Should the proprietors refuse to enter into engagements, the settlement at the proposed rusuddee [or increasing] juma should be made for the term of 12 years, under the provision in section 3, Regulation VII., 1822. On the expiration of the farming lease, the zemindars would be admitted to engagements in perpetuity at the kamil juma."

10. It seems, therefore, that the two members of the Board of Revenue, North-west Provinces, although recording their opinions independently of each other, agree substantially in their conclusions. They deprecate any promise to
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be made of what shall be the permanent settlement at some future time, and urge that the primary arrangement should be the final one.

11. In the final orders issued by your Excellency's Government, as given in the letter from Mr. Secretary Bayley to Mr. Simson, secretary to Government, North-west Provinces, dated 8th June 1864, an endeavour seems to be made to combine the plan proposed in your Excellency's original minute with that suggested by the Board of Revenue, North-west Provinces, the operative part of the order being found in the 19th paragraph:—"Where the proportion of good culturable waste exceeds say 20 or 25 per cent. of the area under cultivation, a jumma, calculated according to the existing assets, and, in addition, a maximum jumma, deduced from an estimate of the full future assets of the estate, shall be fixed. The maximum jumma should not exceed the initial jumma by more than from 25 to 50 per cent. The proprietors may engage for the maximum jumma or not, as they think proper. If they do engage for it, they must do so in perpetuity. The jumma will not be subject to revision, and the maximum will be leviable after 15 years. But it will rest with the settlement officer to decide by what steps, and at what intervals the maximum shall be progressively demanded, whether in 5, 10, or 15 years, or otherwise. If the proprietors decline to engage for the maximum in perpetuity, then a settlement terminable in 30 years shall be made with them at the initial jumma."

12. It is not distinctly stated in the subsequent paragraphs that the ultimate permanent jumma is to be recorded as the maximum demand which would ever be made on the estate, but it may be inferred that such was the intention of your Government. For instance, it is said in paragraph 27,—“As regards the fixation of a maximum assessment, available at pleasure to the proprietor of an estate temporarily settled, his Excellency believes that it possesses the advantage of supplying a motive and incentive to industry and enterprise, inasmuch as the landholder, while obtaining a fixed assessment for 30 years, at all events will know the utmost limit of possible revenue which can be demanded after the expiry of that term.”

13. In the Circular Order of the Board of Revenue, North-west Provinces, which transmits to all settlement officers the instructions of the Supreme Government, the rule as to the settlement of the ultimate permanent demand is altogether relaxed. It is merely stated (para. 17), that “the Governor General is desirous that the benefits of a prospective limitation in perpetuity of the Government demand may, in so far as practicable, be secured; and this is contemplated by requiring the settlement officer, wherever he is in possession of data sufficient for the purpose, and feels that he can safely hazard an opinion, to declare at what limit the permanent assessment should eventually be fixed. This, though not in any measure authoritative, will remain on record.”

14. It would, therefore, appear that the fundamental principle of your Excellency's scheme is altogether abandoned, and that although the settlement officer is at liberty to declare what he thinks ought to be the limit of the eventual permanent assessment, this declaration of opinion, although it will remain on record, will not be “in any measure authoritative.”

15. Of the four plans of settlement which are thus placed before Her Majesty's Government, it seems to me that the two last would be certain to be inoperative. The letter of your Government gives the option to the zemindar of accepting a reduced demand for 30 years, with the assurance that the full or kamil jumma then recorded will not be increased at the expiration of that term. The Board of Revenue withdraws that assurance, but still leaves the zemindar the option of choosing between a high assessment for 15 years and a low assessment for 30 years, with the chance only (instead of the certainty) of obtaining a moderate assessment (perhaps lower even than that now fixed on) after the expiration of the 30 years. The certain result of this option has already been given in the words of Mr. Money's minute.

16. The plan first put forward by your Excellency is liable to the objection that, while it fails altogether to bind the landholder, it imposes a distant, and possibly an inconvenient and improvident obligation on the State. The zemindar may hold his estate as before, on a 30 years' settlement, based on the existing assets. The Government, on the other hand, undertakes that, at the expiration

of that period, a larger demand shall never be made than a given amount, now to be recorded, whatever the value of the estate may be at that time; but even then, if the arrangement is objected to, it need not be accepted, and the zemindar may claim a fresh settlement on the then existing assets. It seems to me that the transaction is altogether one-sided, the whole probable advantage going to the zemindar, the whole contingent loss to the State.

17. The plan of the Board of Revenue is essentially different, and would really, if it could be carried out in practice, constitute a permanent settlement, although it would not take full effect till after the lapse 15 years. Her Majesty's Government, however, are not prepared to give their sanction to any settlement in perpetuity which is not based on the existing assets of the estates to which it is to be applied, but is founded on a prospective estimate of their future capabilities. No such measure was contemplated in my Despatch of the 9th July (No. 14) 1862; and looking to the objections which have been found in practice to attach to a graduated or rusuddee assessment, as pointed out in Mr. Muir's minute, and to the ill effects which might follow the exclusion from the management of their estates of those proprietors who should decline to accept the proposals of the revenue authorities, as referred to in the concluding portion of Mr. Harington's minute of March 1864, Her Majesty's Government are under the necessity of withholding their consent to the adoption of the scheme suggested by the members of the Board of Revenue.

18. On a full consideration of the whole question, Her Majesty's Government have arrived at the conclusion that any declaration on the part of the Government of India, binding it to a course of action extending over a period of 30 years, would be altogether inexpedient. They are prepared to authorise an immediate settlement in perpetuity, after revision, for all estates in which the actual cultivation amounts to 80 per cent. of the cultivable or malgoozaree area. In such cases, however, they are of opinion that the rule of the revised settlement, limiting the demand on the landowner to 50 per cent. of the existing assets, should not be strictly adhered to. As observed by Mr. Money, "Existing settlements have been made at rates varying from 60 to 66 per cent. of the estimated assets, and there is, therefore, no hardship in making a settlement in perpetuity at not more than 60, when land is readily available to reduce the rate to 50." The advantage of securing a settlement in perpetuity at that rate would probably be sufficient to induce the zemindars to consent to an immediate contribution slightly in excess of the amount which they would be called on to pay on a 30 years' settlement, subject to an indefinite increase at the expiration of that term.

19. With regard to all other estates, in which the cultivation is so backward, and the future development of their resources so uncertain, that they are unfitted for a settlement in perpetuity, they should be treated in the ordinary manner, and settled for a term not exceeding 30 years, no expectation being held out, and still more, no pledge being given to the proprietors, in respect to the course which, at the expiration of that term, it might appear expedient to the Government of the day to pursue in dealing with their properties. In the case of estates of this description, it may be worthy of consideration, whether so long a period as 30 years should be fixed on as the term of the revised settlement. If any pledge has been given, or even any general expectation held out, that the revised settlement shall be confirmed for the same term as the settlement which it replaces, it must of course be adhered to; but, if such is not the case, it may probably be expedient to limit its duration to a period of 15 or 20 years, at the expiration of which term cultivation may have so far advanced as to bring the estates within the conditions which would entitle them to a settlement in perpetuity.

20. I observe that, under the Circular Order of the Board of Revenue, "the provision for securing higher water rates on tracts brought subsequently to settlement under the influence of canals, will be the care of the Irrigation Department," and I therefore abstain from making any remarks on the subject in this place.

21. I take this opportunity of acknowledging the receipt of the Despatch from your Excellency in Council, dated the 5th December last (No. 20), on the subject

ject of reserving the right of Government to mines at the coming permanent settlement, and I have to convey to you my approval of your instructions, that the State, in making such a settlement, wherever it has not been already made, may claim a share of the produce of such mines as revenue, and that the right should consequently be reserved, and a clause to that effect, entered in the settlement papers. When the proprietary right in the land belongs to the State, as in the case of waste lands, it is clear that Government may deal with the mines so situated in any manner which it may deem expedient.

I have, &c.
(signed) C. Wood.

(Home Department.—Revenue.—No. 25 of 1865.)

To the Right Honourable Sir *Charles Wood*, Bart., G.C.B., Secretary of State for India.

Sir,

Simla, 3 August 1865.

REFERRING to your Despatch No. 11 of 1865, dated the 24th of March, we have the honour to transmit for your information the accompanying copy of a correspondence* with the Government of the North Western Provinces, on the question of Permanent Settlement in relation to Canal Irrigation. A copy of the instructions† which we have caused to be issued on receipt of your Despatch above quoted, is also forwarded.

We have, &c.
(signed) *John Lawrence.*
W. Mansfield.
W. Grey.
G. N. Taylor.
W. N. Massey.
H. M. Durand.

* From North Western Provinces, No. 648 A, dated 30th June 1865, and enclosures.
† To North Western Provinces, No. 496, dated 27th July 1865.
‡ To North Western Provinces, No. 1666, dated 19th June 1865.

From *R. Simson*, Esq., Secretary to the Government of the North Western Provinces, to *E. C. Bayley*, Esq., Secretary to the Government of India, Simla (No. 648 A); dated Nynee Tal, 30th June 1865.

WITH reference to previous correspondence, I am directed to forward, for the information of his Excellency the Governor General in Council, the accompanying copy of a resolution recorded by the Honourable the Lieutenant Governor on the question of permanent settlement in relation to canal irrigation, together with copies of the papers referred to therein.

RESOLUTION, Revenue Department (No. 645 A); dated Nynee Tal, 30th June 1865.

READ the following papers on the question of Permanent Settlement in relation to Canal Irrigation:—

Letter from the Secretary to the Government of India, in the Home Department, No. 543, dated 8th June 1864.

Letter from the Secretary to the Government of India, in the Home Department, No. 544, dated 8th June 1864.

Letter to Secretary to the Sudder Board of Revenue, North Western Provinces, No. 698 A, dated 17th June 1864.

Circular issued by the Sudder Board of Revenue, North Western Provinces, to officers engaged on the revision of Land Revenue Settlements.

Letter to Secretary to the Sudder Board of Revenue, North Western Provinces, No. 821 A, dated 19th July 1864.

Letter from Secretary to the Sudder Board of Revenue, North Western Provinces, No. 688, dated 24th September 1864.

Letter from Collector of Moozuffernuggur, No. 51, dated 3rd December 1864.

Letter from Secretary to the Sudder Board of Revenue, North Western Provinces, No. 774, dated 27th November 1864, and enclosure.

Letter from Secretary to the Sudder Board of Revenue, North Western Provinces, No. 773, dated 27th October 1864, and enclosures.

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Memorandum

Vide Volume of Proceedings for September 1864, pages 1 to 50.

Vide Volume of Proceedings, Public Works Department, for January 1865, pages 34 to 68.

Memorandum by the Commissioner of the Meerut Division.

Letter from Chief Engineer, Irrigation Works, No. 4186, dated 16th November 1864, with enclosure.

Letter from Officiating Engineer, Irrigation Works, No. 2683, dated 15th October 1864, and enclosure, with note by Colonel Morton.

Letter from Officiating Executive Engineer, Boolundshuhur Branch Ganges Canal, No. 119, dated 16th October 1864.

Memorandum by the Executive Engineer, Futtchghur Branch Ganges Canal, dated 26th October 1864.

Letter from Officiating Executive Engineer, Cawnpore Terminal Division Ganges Canal, No. 124, dated 28th October 1864.

Memorandum by the Executive Engineer, Allyghur Division Ganges Canal, No. 352, dated 28th October 1864.

Letter from Officiating Secretary to this Government, in the Public Works Department, No. 1A, dated 2nd January 1865, to the address of the Secretary to the Government of India, Public Works Department.

Answers to Questions by Messrs. W. A. Forbes and C. H. E. Crosthwaite, dated 14th January 1865.

Note by Mr. R. Money, dated 14th January 1865.

Ditto by Mr. H. D. Robertson.

Answers to Questions by Mr. A. Shakespear.

Ditto ditto Mr. S. N. Martin, dated 14th January 1865.

Note by ditto, dated 10th January 1865.

Note by ditto, dated 13th January 1865, with two statements.

Answers to Questions by Mr. A. O. Hume, dated 21st January 1865.

Memorandum by Mr. R. G. Currie, dated 20th January 1865.

Note by Mr. S. N. Martin on the above.

Answers to Questions by Mr. H. Le Poer Wynne.

Letter from the Collector of Etawah, No. 16, dated 9th January 1865.

Letter from the Secretary to the Sudder Board of Revenue, No. 101, dated 15th February 1865.

Minute by Mr. R. Money, Member, Sudder Board of Revenue, dated 13th February 1865.

Replies to Questions by ditto, dated 14th January 1865.

Minute by Mr. A. Shakespear, Officiating Member, Sudder Board of Revenue, dated 14th February 1865.

Replies to Questions by ditto.

Letter to Secretary, Sudder Board of Revenue, No. 200A, dated 7th March 1865.

Letter from Secretary to the Sudder Board of Revenue, No. 212, dated 5th April 1865.

Note on Moozuffernuggur Settlement by Mr. R. Money, Member, Sudder Board of Revenue, dated 25th March 1865.

Detailed Notes made by ditto, dated 16th March 1865.

Note by Mr. A. Colvin, dated 10th May 1865.

Note by the Honourable William Muir on the mode of assessing lands irrigated by Canals, dated 10th May 1865.

REMARKS by the Honourable the Lieutenant Governor.

THE important question of the best method of assessing estates for the permanent settlement in districts subject to irrigation from canals has been under discussion for some time past.

1. Assumed uncertainty in the supply of canal water, and consequent risk to the permanency of a settlement having for its basis assets dependent upon that supply, have led the majority of the settlement staff, as well as other experienced officers in these provinces, to question the propriety of a permanent assessment in any way dependent upon canal irrigation, and to propose a variety of schemes by which the ordinary profits of the land, and those more immediately due to the action of the canals, might be made separately to contribute their respective quotas of revenue to the State, in such manner that while the assessment of the one was fixed in perpetuity, that of the other should be subject to periodical variation.

2. Considerable doubts and difference of opinion existing on the subject, the continuance of which was likely to prove mischievous, a conference of officers was assembled at Agra in January last with the view of promoting free discussion, and of obtaining a full expression of individual opinion upon all points involved in the general question at issue.

3. The results arrived at at this conference were submitted to Government with the Board's letter dated 15th February last; but previous to recording any final opinion upon the subject, the senior member of the Board was requested personally to test the assessments in the Moozuffernuggur and Boolundshuhur districts, which had been made by Messrs. Martin and Currie, who respectively represented the opposite parties in this discussion.

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4. On receipt of Mr. Money's report, which does not affect the principles at issue, though it evidences the effects of these discussions on the practical working of the settlements, the entire collection of papers was forwarded to Mr. Muir, whose excellent and comprehensive note, with its annexure by Mr. A. Colvin, was received in the early part of this month.

5. The subject has been so thoroughly discussed in these papers that little remains to be said beyond stating the conclusions at which the Lieutenant Governor has arrived; and after the most careful consideration of all that has been urged on either side of the question, his Honor has no hesitation in recording his opinion in favour of adherence to the system hitherto in force.

6. The Lieutenant Governor admits the importance of an entire separation between canal assets and land revenue, and of eliminating from the permanent settlement every element of uncertainty, so far as that may be practicable, consistently with a due regard to the public interests; and had the proposals of the opponents of the present system been unobjectionable on other grounds, his Honor would have been prepared to support them even at a moderate sacrifice of revenue, as tending to secure the permanency of the settlement, and as affording to the districts, already subject to the action of the canals, the same advantages that will be obtained by those to which canal irrigation has not yet, but will hereafter be extended.

7. But Mr. Muir, in his very able review of the whole question, has incontrovertibly shown that the proposed system is open to far greater objections than that which it is intended to supersede; that the objects which it seeks to secure can equally, if not more certainly, be attained under the present system; and that the defects of the latter are by no means so great as they have been represented.

8. The two principal arguments in favour of a change of system are, first, the uncertainty of the supply of water from the canals; and second, the possibility of securing to the State its rightful share of the profits accruing to the landlord from canal irrigation by enhancement of the canal water rents, and independently of the land revenue assessment.

9. The first of these arguments, as observed by Mr. Colvin, has been pushed too far; there is no good reason for apprehending any permanent failure of supply, and the ordinary uncertainty would not be greater than that of streams subject to the usual variations of the seasons; and, although Government would give no guarantee for a supply of a certain amount of water, it has always dealt liberally with the people in seasons of distress, and would undoubtedly give remissions on occasions of partial or total failure of supply of such magnitude as fairly to demand the concession; but these would be occasions of extraordinary calamity, which ought not to affect the calculations of a permanent assessment.

10. The second argument is based upon a fallacy, partly arising from a misuse of terms; the expression "canal assets" is applied indifferently to the canal water rents, and to the additional revenue derived from canal irrigation. The circular of the Board of Revenue, directing a division of the land revenue into ordinary and extraordinary revenue according to its dependence, or the contrary, upon canal irrigation, was, perhaps, a natural corollary to the orders of the supreme Government; and, as pointed out by Mr. Muir, the arrangement will, for many purposes, be convenient; but its issue is, nevertheless, to be regretted, for it has added to the confusion of ideas, and has certainly given rise to the agitation of the present question, which has not been confined to the officers of Government.

11. No doubt this extraordinary revenue, or, as it may rather be called, irrigation revenue, is due to the canal; but if nothing else has been proved in the course of these discussions, it has at least been conclusively established that canal assets, in this connection, are strictly confined to water rents, which are all that could be levied by a canal company; that these rents can never be raised above the natural value of water in any locality, or, which is the same thing, the cost of supply from wells or other sources; and that the landlord's profit on canal irrigated land, though due to the canal, is not a canal asset, and cannot be reached by any enhancement of the water rent; indeed to suppose that it could, would be to hold that the guano merchant could participate in rents by raising the price of his manure.

12. This much, however, has been gained by the discussion, that the water rents being shown to be entirely distinct from rent or land revenue, no question can hereafter be raised as to the right of Government to enhance them at pleasure, irrespective of all questions of land revenue assessment; at the same time there is no reason to fear that they will ever be raised above that moderate amount which is dictated alike by policy and common sense.

13. As respects equableness of settlement, a point upon which Mr. Money lays some stress, it is shown by Mr. Muir, that the proposed system would create more immediate and palpable inequalities than the present; and, in so far as it regards districts which may obtain canal irrigation after they have been permanently settled, the inequality will be no more

unfair than that which must now exist between estates in Saharunpore and those in Ghazee pore which was permanently settled 50 years ago.

14. With regard to differential rates, it may be said that it never was intended to apply them within the same village, and the argument on this head is much forced; as, however, it has been shown by these discussions that water rents will not, as has been supposed, reach the landlord's rents, the object aimed at by the introduction of differential rates will not be secured, and all idea of them in connection with land revenue may be abandoned.

15. The extent to which, under the proposed system, the ability, experience and discretion of the assessing officer must be confided in, is in the Lieutenant Governor's opinion, an insurmountable objection; it would, in fact, introduce an element of uncertainty far greater than that of the canal.

16. Mr. Muir has suggested, as a means of securing to the State a share in the profits accruing from tracts brought under canal irrigation, subsequent to permanent settlement, an arrangement of the kind proposed by Mr. Crosthwaite, by which there should be a quinquennial inquiry into the irrigated area of estates; and the increase in excess of 20 per cent. of the irrigated area at the time of permanent settlement, should be subjected to additional assessment at the general acreage rate for irrigated land at the time of settlement. Some such plan is apparently the only one by which these additional profits could be made available for revenue; but if resorted to at all, it might be most conveniently applied in the canal department as a special charge upon landlords for irrigation over and above the water rates, and the revenue arrangements in respect of the permanent settlement would remain in tact.

17. The Lieutenant Governor does not, however, regard with favour even this limited interference with the advantages held out by a permanent settlement, and upon the whole, he is satisfied that the present system, which is the matured result of the experience of many years, and is well understood both by the officers of Government and by the people, should be maintained as it is.

18. In communicating this decision to the Board of Revenue, they will be requested to circulate a complete copy of these papers to all settlement officers, and to impress upon them that assets dependent on canal irrigation are not to be under estimated from any apprehension as to their uncertainty; and that while the assumed amount of these will continue to be separately noted in their settlement records, they will carefully exclude all reference to the distinction in the formal deeds of settlement, explaining to all parties concerned that the assessment is entirely distinct and irrespective of water rents and dues appertaining to the canals.

By order of the Honourable the Lieutenant Governor of the North Western Provinces.

(signed) *R. Simson,*

Secretary to the Government of the North Western Provinces.

NOTE on the Papers on the Assessment of Rental arising from Canal Irrigation.

THESE papers, which have been for the most part privately printed and circulated, contain the opinions elicited at a conference recently held at Agra, upon the present system of land assessments (viewed in connection with the permanent settlement), in cases where the canal is concerned. For the most part, the opinions of the officers consulted are hostile to the system now in force. That system, it need scarcely be added, is to assess at half the average assets, from whatever source created, the canal meanwhile charging a moderate rate for its water.

2. The objections to the present system may be grouped into two classes, and be discussed, with the remedies proposed under each class:—

1st. There is the objection that the present system, as resting on the fluctuating element of the canal supply, is inconsistent with a really permanent settlement; that it contains no provision for the case of villages, or parts of villages coming under irrigation after settlement, and hence introduces inequality of assessment; and that the proposal to have differential rates to correct such inequality, will cause endless embarrassment. It is proposed to assess on natural capabilities, and to leave the canal authorities to make up the difference.

2nd. The objection is raised, that Government, under the present system, is not doing justice to its own position as owner of the canal water; and that water should be sold at the highest price which will permanently permit the consumption of the whole stock.

3. So much of the first objection as relates to permanency is two-fold:—

1st. There is doubt as to permanency of supply.

2nd. There is inconvenience in Government pledging itself to continue the supply in all and each of the localities which at present enjoy it.

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4. I cannot help thinking, that too much is made of the uncertainty of supply. Mr. Batten, I see, is of the same opinion. It should not be lost sight of, that it is not a question of what is meant by *uncertain* but a question of *inadequate* supply. The fluctuations in the supply, so long as the supply exceeds or equals the amount calculated on at time of assessment is, as regards the land revenue, matter of indifference. This fear of inadequacy is, I believe, confined almost entirely to the Ganges Canal. But the present state of that canal, which has called for active remedial measures, seems to me one of the best guarantees we can have, that in future, the inadequacy will be reduced to a minimum. Mr. Wynne speaks of the uncertainty on the eastern Jumna canal. But as regards inadequacy, I can say from my own large experience on that canal in the Mozuffurnuggur district, that there was not, to the best of my recollection* one village in which the supply had not increased since the last settlement. Mr. Wynne could tell us what is the case in Saharunpore.

5. There remains the objection that Government is tied down as to the localities in which water shall, in future, be distributed. And in this there seems much force. Notoriously, the present distribution on both canals is inconvenient: the rajbahas in many cases swamping low moist lands, and running riot over barren sandy wastes. Any arrangement which bound the Government to maintain these faulty rajbahas is much to be deprecated.

6. As to the alleged inequality of assessment arising from the case of villages into which canal water will be introduced subsequent to assessment, it is not, of course, forgotten that differential rates, and a standard irrigation rate are proposed: and as the objection to the first of these is the real point at issue, it is as well to pass on to it. The inequality of assessment is not objected to, provided an adequate remedy can be found for it.

7. Differential rates do not, it is admitted, meet the difficulty suggested: but the objection to them as here urged, seems forced. It is not easy to see any difficulty or confusion in the assessment and collection of such rates in adjoining villages. It is only in the same village that embarrassment could arise. But there seems no need for the application of differential rates in one and the same village. When a village, as the case supposes, is already at time of settlement irrigated, the prospect of approaching increase of irrigation does not remain hidden from the settlement officer, and he could exclude such a village from the permanent settlement. If, however, at time of settlement, no prospect of increased irrigation appeared, cases in which land subsequently came under water, might be met by a rate calculated and imposed upon the plan proposed by Mr. Crosthwaite. This could also, of course, be extended to villages entirely brought under irrigation after settlement. But certainly it would well meet such cases as are instanced by Mr. Currie and Mr. Hume. It has been sufficiently shown in these papers, that the principle of permanency is not really affected by such a measure. It may be quite admitted that two sets of rates could never be worked by the canal or any other one department in one and the same village.

8. So far then as this class of objections to the system hitherto in force goes, it appears that the argument with regard to the locality of water supply is so strong, as to require some distinct arrangement of the revenue as influenced and uninfluenced by canal water. But that such arrangement given, the objections with regard to the method of removing subsequent inequality of assessment have little force.

9. The remedy proposed by those who object to the present system, is to allow the canal officers to charge a full price for their water, the market price, in fact; the settlement officer assessing only on natural capabilities, without consideration of the effects of canal irrigation.

10. Mr. Martin has clearly shown, that the result of this would be, in the first instance, to make a present to the landlord of the share Government has hitherto taken of the increased rental arising from canal irrigation. It is notorious, and admitted throughout the discussion, that the water rate is paid by the cultivator, and does not encroach on the landlord's rental. If then, in villages irrigated by the canal, Government assesses only on natural capabilities, taking, it must be added, an uncertain and fluctuating share of the net assets, and in villages unirrigated by the canal, takes its full share of half assets, the fortunate landlord, who has his fields irrigated, will actually pay a smaller proportion of his net income to Government than his neighbour who is dependent upon rain land. The only way in which his income can be touched will be, by raising the water rent on the cultivator, until he refuses to pay his landlord the full increased rent hitherto taken on account of canal-caused productiveness. Of this more will be said presently. In very many cases the cultivator will probably prefer to abandon the canal water. Few cultivators will care to undertake the expense and trouble of growing a richer crop, if almost all the increase is

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* Since writing the above, I have obtained copy of a statement furnished in 1861 by the Superintendent of the Eastern Jumna Canal to the Collector of Mozuffurnuggur, and showing the average of irrigation in that district for 1839-40, 1840-41, 1850-51, 1851-52, 1858-59, 1859-60. The result shows 93,784 acres of irrigation in 1858-59, 1859-60, against an irrigated area of 35,528 in 1838-39, 1839-40. Of 203 villages irrigated, in seven only has the area of irrigation decreased, and in these only to the extent of 731 acres. This seems to show that, in settlements made at the present period of Ganges Canal development, there is apart from actual stoppage of the canal, little fear of inadequacy.

to go to the canal owner. And certainly the landlord, who cannot but be supposed to have much influence with his cultivators, will not encourage a system which denies him any participation in the fruit of his cultivator's labours. For the present, however, for the sake of the argument, it may be admitted that landlord's rents will be lowered. But an increased water rate can, in no way, affect the greater *rent-paying area*, the greater *haul* of rent, arising from the breaking up of fresh land, which has been, and will be extensively taking place before the settlements are concluded. Again, the amount of rent which the landlord agrees to abandon would, in each case, depend on his personal character, his power, the number and caste of his cultivators, the proximity of the Revenue Courts, and other similar causes. Not only then, it must be concluded, would this plan of falling back upon the canal rate, still leave the proportion of their revenue taken from the canal irrigating landlords an entirety, and each case, uncertain amount, not only would it leave them the full benefit of all land broken up on account of the canal, but it would obviously tend to drive the population into suits for enhancement and diminution of rent. Mr. Crosthwaite has pointed out that Government, as landlord, should share all increased assets, and it may be added that, if only in justice to non-irrigating villages, it should take a uniform share of their assets alike from all its tenants.

11. As to assessment on "natural capabilities" there seems some confusion. As I understand Mr. Wynne, there is very little difference between his method of assessing on natural capabilities and Mr. Martin's method of ascertaining the ordinary, as distinct from canal extraordinary, revenue. Either assesses first on the known capabilities, rents, and assets of the village. Then, eliminating the difference between wet and dry rates, with due regard to wells thrown out of work, and to the amount of land of inferior description brought under cultivation by the canal, but which would be cultivated in far less quantity without artificial irrigation, Mr. Wynne looks upon the remainder as representing the land's natural capability, and Mr. Martin its ordinary revenue. And these two, it is submitted, are one and the same thing, the only issue between Mr. Wynne and Mr. Martin is, what shall be done with the sum eliminated. The one would dismiss it, and call to the canal officers to replace it, the other would keep it on as extraordinary revenue. Some of the considerations which present themselves on this head have been stated in the last paragraph.

12. But it is not understood that Messrs. Forbes or Currie would follow Mr. Wynne's method; they would, apparently, avoid all existing data, in the form of rents, leases, &c., and feel their way by such available items of comparison as suggested themselves. Conducted as they wish, the system of settlement on natural capability cannot in my opinion be too strongly protested against. At any time it is very difficult to tell how far the natural unworked resources of the soil will be utilised: how far, *e. g.*, *kutch*a wells either can or will be dug, or fresh land broken up. It is a calculation entered on very warily: confined to comparatively small areas: and carefully tested by the facts observable in their immediate neighbourhood. But here it is proposed to apply the calculation to the whole area exposed to the influence of land water. It will be observed that such a system casts itself free from actual rents, leases, &c., so far as they can be ascertained, because these are, of course, founded on the supply of canal water. Not content with the uncertainty which, under the most favourable circumstances, is present to the assessing officer, the system ventures to decide how many wells should be dug; how many acres should be irrigated; what land apart from the influence of canal water should be taken up; what kinds of crops should be grown; what their amount should be; and what should be the portion and amount of rent received. It is even proposed to reject the influence upon assets of proximity to markets and advantages of carriage. This is "natural capability" indeed. How are the limits of the exact influence of markets and roads to be determined? Is the out-turn and price of an acre of the crop that can be grown in the village situated furthest from its market, and divided from it by the most detestable road, and the most impracticable rivers, to be the standard of assessment.

13. Before the remedy proposed by these objectors is admitted, I think that they should clearly lay before Government the details of their scheme of assessment, and of its effects on a given tract of country. Their scheme admitted and approved for the reasons already given, strong objection lies to the method in which they would then propose to raise their supplementary revenue. It may be added that the disadvantages and risks attaching to the scheme, even as Mr. Wynne puts it, are far greater than in Mr. Martin's hands. For while the former would fix his assessment as the revenue to be yearly paid, the latter would only fall back upon it in the extreme case of stoppage of canal or other similar calamity. The consequences attending error would be proportionately less.

14. I turn now to the second objection: to the position of Government as canal owner.

15. Mr. Hume's argument appears to me, though I speak with great deference, faulty, both in principle and in practical application. In the latter, indeed, it has very much in common with the views already noticed, but it goes further. The State is the landlord in India: and I fail to see how it can be landlord in one department, and a "Criminal Company" in another. To the interests of Government as a landlord, the principle advocated by Mr. Hume is directly opposed; and it may be urged that it is financially unsound. The community, whose interests Mr. Hume advocates, are no less interested in a flourishing agricultural body, than in the sums immediately paid into the Treasury. They would probably

probably find that the sums so paid were but triflingly in excess of the present amount, while the extension of cultivation, both in area and in the kinds of crops, was materially suffering. But this is a point which must be left to more qualified authorities.*

16. Mr. Hume pushes his theory to its legitimate conclusion when he admits that, if a demand existed, he would charge for all water at the flush irrigation rate for cane. The principle he has adopted would not only justify Government in charging the cultivator as much as he could pay for the water, but in charging, if it could find purchasers, so high a rate that only cane could be irrigated. The only good resulting to the agricultural class would be that, in times of famine, the cultivators who could pay the sugar-cane flush irrigation rate would be saved from starving. It can scarcely be supposed that it is the aim of the Government to take up the commercial view of the canal so actively as to push all its other interests out of the field.

17. As regards the application of his views, Mr. Hume admits that, in order to meet them, the profit left to the cultivator must be a minimum; otherwise he sees that, as the cultivator pays the water rate, the landlord will derive from enhanced rents a revenue, of which not a pice will go to Government. But it can scarcely be supposed that so acute a thinker did not see that, apart from the question of enhanced fertility, the rent which the landlord derives from the breaking up of fresh lands in consequence of the use of canal water, is a source of income to him which the natural capability system and the canal authorities will fail to touch. The landlord derives an enhanced income from three sources owing to the canal:—

1st. From the increased rental due to an enhanced fertility.

2nd. From the higher rents arising from the greater proportion in which the better classes of crops are grown.

3rd. From the rental received on account of *fresh* land broken up. And this, as Mr. Hume, on his own showing, would chiefly supply water to lands enjoying no previous means of irrigation, will prove a very considerable item. Mr. Hume thinks he can deprive the landlord of the two former sources. Whether a field gives only an increased crop, or a new and more valuable crop, Mr. Hume thinks he can so pitch his water rate as to swallow up anything, but the merest difference between the former and the present rent. But, as far as I understand, he leaves to the undisturbed enjoyment of the landlord all the income accruing from the latter source. And it must be remembered that it is not the landlord on whom the trouble and expense of breaking up fresh land falls. He gets his rent, and can claim no immunity on the score of enterprise. That was the cultivator's.

18. But even with respect to the first two sources, Mr. Hume's scheme appears involved in difficulties. These difficulties apply also to the scheme just discussed; but while it was then, for the sake of argument, admitted that landlord's rents might be lowered through enhanced canal rates, it is now sought to point out briefly the difficulty, even under Mr. Hume's bolder views of touching rent. If Mr. Hume gives water where wells already exist, the measure of his water rate will be about the expense of well irrigation, and rents will, of course, remain as they were. If he gives it where wells exist or not, he will have, very probably in the same village, differential rates, with all their disadvantages. Finally, he may confine the supply of water to tracts where no wells exist. This, over the whole canal area, would be difficult, if not impossible; and it is precisely in these tracts that the landlord gets the advantage of the new *creation* of rent, which, as has been noticed, Mr. Hume's scheme leaves untouched. I do not understand that Mr. Hume hopes or intends to swallow up *all* rent. But even if canal water could be confined to tracts lacking all natural means of irrigation, or if to such tracts a higher water rate is applied, I believe the cultivator would require a very considerable margin of profit to attract him to the water, and compensate him for the drawbacks attending its supply. The Indian cultivator will not, so far as my limited experience goes, grow a better and more expensive class of crop unless admitted to his full share in the division thereof. If the canal owner took the landlord's share, the landlord would still insist on participating in the share remaining to the cultivator, and the law would decree the landlord a share. Mr. Hume has prudently abstained from even indicating approximately the per-centage with which he proposes to satisfy the cultivator.

19. So again, Mr. Hume recognises the necessity of having locally differential rates, according to the purchasing powers of each tract. But I do not think he can stop there, or rather I do not think he can define other local limits, than at least the limits of each village. The purchasing power of neighbouring villages will assuredly differ; if from no other

* I would call attention, however, to another monstrous but logical issue of this mode of reasoning. At page 75, paragraph 9, Mr. Wynne argues that after Government has, by canal water, "superseded" previous sources of irrigation, that is, thrown wells out of repair, or affected the nature of the soil, or swamped all kutchha wells, after, in fact, Government has destroyed all natural sources of irrigation, it may charge a rack rent for the water supply of which it now holds the monopoly. This would be palatable advice to the Shah of Persia; but can scarcely recommend itself to the Government of India.

other cause, from the wealth, caste, and habits of their occupants. Which then is the rate to be adopted? If the highest, can we be sure that the demand in the villages paying that rate will absorb all the available supply? If any other rate, what rate? As we recede from the highest possible rate, we leave a proportionate profit in the hands of the cultivators, and an enhanced rent in the enjoyment of his landlord. Mr. Hume's scheme is further open to all the objections which have been urged against the more moderate views already noticed.

20. For my own part I would classify the assessment with Mr. Martin: and, in preference to differential rates, I would fix a rate to meet future irrigation, with Mr. Crosthwaite. It is as the *landlord* that Government claims a share of the *rental*: and it seeks as far as possible to equalise its assessments, on the landlord, whenever levied. Differential rates would very probably not affect the landlord's rental. But I would apply this rate, not annually, but on averages of five to ten years. Speaking generally, the average rate of the "Extraordinary Revenue" in each circle, on the area subjected to canal irrigation, will give the rate to be applied to the area subsequently brought under irrigation.

21. There can be no necessity to enter in the Durkhast the classification of the assessment. It need not be thrust under the landlord's notice. It is for the purposes of Government, and for its guidance, rather than for the information of the landlord.

22. Careful and uniform instructions will doubtless be necessary for the definition of the canal assets. But it must be remembered that we do not need to calculate with arithmetical precision the amount of revenue due to canals. What we want to know is, broadly, the figure which represents the amount of land revenue arising from them; so as, in case of great emergency, to be ready with our data for relief. I say great emergency; for against all partial losses may be set the progressive rise in prices, and in the welfare of the agricultural community.

(signed) A. Colvin.

10 May 1865.

ANSWERS TO QUESTIONS, by Mr. Currie.

A set of questions proposed at the late Conference at Agra regarding the Canals affecting the Permanent Settlement of the Land Revenue and replies to the same, by Robert G. Currie, c.s.

Q. 11. How far does canal water rent practically affect the rent of the landlord?

A. 1. In replying to this question it is necessary to bear in mind that the usual rent-rates are calculated according as there is or is not irrigation, that is to say *wet* rates and *dry* rates. It must be also assumed that the canal water rent is paid exclusively by the cultivator, as is generally the case.

Canal irrigation raises the rent of the landlord inasmuch as he demands, and is entitled to receive, enhanced rents for irrigated lands, and hence for every acre which comes under canal irrigation the landlord receives [or may receive] from the cultivator a wet rate instead of the former dry rate, the wet rate being more than half as much again as the dry rate, and often double of it or very nearly so.

The canal water rent may then be said to raise the rents of the landlord, as from the supply of canal irrigation canal water rents are imposed, and on proof of supply of canal water the landlord raises his rates of rent from dry to wet, or say from two rupees per acre to Rs. 3. 12., or 4 rupees per acre. This is the existing state of affairs whilst the canal water rents are low, and are rather cheap rates chargeable on the crop grown than rent, and amount to about two rupees per acre on the average, including all crops grown in the usual proportions.

The canal water rent, let it be raised ever so high, can never lower the landlord's rent below the *dry* rate of rent which the same land paid before it was irrigated by the canal, or would now pay if canal irrigation ceased and the land was incapable of any artificial irrigation; nor yet, so long as the canal water rent is kept at or near its present rate, will it in any way lower the landlord's *wet* rates of rent, or at all lessen his assets.

Generally speaking the canal water rents may be raised to the point when they nearly equal, and commence really to compete with the expense of well irrigation, without in any way lowering the landlord's rents. It must now be understood that I assume that canal irrigation is in existence, and that *wet* rates of rent are being paid to the landlord for the lands actually in receipt of canal irrigation. Hitherto the canal water rates have been so low that canal irrigation cannot be said to have competed with well irrigation, for the canal has at once either totally destroyed temporary (*kucha*) wells or made the construction of them expensive and dangerous, and has offered in most instances a larger and more rapid supply of water at less cost and labour. The wells then have not had a chance to compete on fair terms, and the canal has had the irrigation all its own way; but as the permanent settlement is extended and the canal water rents are raised, this state of affairs will certainly change.

Where wells are constructable, and do still exist, or have only fallen into disuse, or been allowed to go out of repair owing to an abundance of cheap canal irrigation, I think that unless

unless the supply of canal water is maintained much more equal and regular than it hitherto has been as a rule (of course there are exceptions), so soon as the canal water rents are raised to near an equality with the expense of well irrigation, they will at once tend to lower the rents of the landlord. It must be remembered that the price for canal water has to be paid down in ready money on demand, whilst the expense of well irrigation is not so immediate, and every one can understand that it is much harder, and seems in reality a greater expense and pull on one's means to pay down 100 rupees cash at the very time that other urgent and pressing demands for cash payments are being made, than to lay out even 150 rupees from time to time over a period of six or nine months, or even a year. What I therefore assert is that, so soon as the canal water rents are considerably raised, the cultivator will go to his landlord and say, "So long as the canal rates were low, and I could sow what crops I liked, and pay a graduated scale of rates to the canal accordingly, I did so, and paid you your full wet rent as well, now the canal water rates are raised, and my profits are much lowered, and you must repair your wells, and I will irrigate as much as I can from them, or else you must share my expenses in canal water rates, or reduce your rent, or I must give up a great portion of my canal irrigation, for I cannot afford to take near so much water at the price now demanded." If the landlord refused, he would lose by the cultivator only irrigating, say, 10 acres from the canal instead of 15 acres, and paying the landlord wet rates for 10 and dry rates for five acres, instead of wet rates for all 15 as before. If the landlord repairs his wells, he will still lose, even though the cultivator agrees to pay him higher wet rates for well than for canal irrigation, as the area irrigated from the wells will be less than that irrigated from the canal.

I maintain then that, if the canal water rent is considerably enhanced, it will lower the landlord's rents. The extent of course will vary according to the parties, the amount of increase of canal water rent, and the peculiar features of each individual case. Even now in the Boolundshuhur district, which has been re-settled, the landlord's wet rates for canal irrigated lands are, as a rule, rather lower than the wet rates for well irrigated lands.

It is no anomaly nor yet any mere supposition to state that the cultivator will apply to his landlord to share the enhanced canal water rents, and that the application cannot be disregarded by the landlord without his being a greater loser than by coming to terms. It must be remembered that, in the case of well irrigation, the landlord is only entitled to wet rates, or enhancement of rent when he has himself made, or helped to make, or to keep in repair the well, or at all events when the expense has not fallen solely upon the cultivator, and this just principle is universally recognised by the proprietary and cultivating community, and by the existing laws for the regulation and decision of rent. So also must the landlord bear a share of the expenses of canal irrigation if he is to share in the profits. Hitherto in new assessments (*i.e.*, newly revised settlements) the landlord's share of the expenses has been a higher Government demand, or assessment calculated upon increased profits accruing from, and due to, canal irrigation, whilst the cultivator's share has been, and still is, the payment of the canal water rate, which is not a full rent, but rather a cheap and favourable rate. If then the canal water rents are considerably enhanced (as* it is proposed that they shall be forthwith), the proportion now borne by the proprietor would no longer be a fair share or proportion, and as explained before the proprietor would be obliged to bear a further share of the enhanced expense; for the mere enhancement of the canal water rates, would not produce a corresponding increase in the quality, quantity, or value of the crop grown. The gross payment of the cultivator would not be lowered, on the contrary it might and probably would, and could, and indeed should, under such circumstances, be increased, but the shares of that payment to the landlord and canal respectively would be altered, the amount paid to the latter (the canal) being increased, and to the former (the landlord) diminished.

* Recent orders of Supreme Government.

This question is of still greater moment when it is considered that the present assessments are in a great measure based upon the enhanced profits due to canal irrigation, and that it is now proposed to at once raise the canal water rates considerably, and that no guarantee is given that they will not be further raised as soon as any necessity occurs, or as soon as it is considered that higher rates can and will be paid; but that, on the contrary, a further right of enhancement is distinctly reserved by the Government in the orders for the present contemplated increase. This point will be again alluded to further on. It is here merely mentioned that the enhancement of the canal water rents will, in many instances, at once lower the landlord's rents, those very rents being the basis of the permanent settlement which has already been carried out in several districts, and is being made in others.

I trust that I may not be considered to be digressing from the subject if I also here mention that the new canal water rates, viz., five† per acre for sugar cane, and Rs. 2 4. for all other crops, will also further affect the landlord's rents, inasmuch as one of the great reasons for the extensive use of canal irrigation has been its cheapness and the manner in which the price of the water has been adopted to the crops grown. My opinion is that, although the entire supply of water provided now, or that ever can be thrown into and distributed by the canal, will be used up, even though the proposed rates were doubled, yet that by the proposed enhanced rates the *proportion* in which that amount of water will be consumed will greatly change. I mean that villages which now take, and have been in the habit of taking, canal irrigation for 500 acres of land, will not take for more than 350 or 400 acres, for it will not be worth the while of many cultivators to take water for the inferior kind of crops, and to pay a higher rate for them than they used to pay for wheat, and though there are exceptions, yet, as a rule, the cultivators will not be able to substitute the better crops for the poorer ones, and will, therefore, leave the poorer ones unirrigated. This

† Scale proposed by Supreme Government.

then will more than ever affect and lower the landlord's rent. But then the assessment has been calculated and made permanent upon existing assets and upon the present and past data and state of cultivation, with the prospect too of improvement from the steady rise of prices, and particularly of grain and all natural products.

Even at the risk of being thought tedious, I wish to explain why I believe I am correct in my opinion that the area of canal irrigation will decrease in many villages owing to the increase of canal water rates from Rs. 1. 12. for wheat, and less for the coarser and cheaper crops, to Rs. 2. 4. per acre for wheat, barley, &c., and all the coarser crops. I may here mention, though it seems almost unnecessary, that I have been hitherto, and am still referring to non-proprietary cultivators, mere tenants, whether hereditary, or otherwise, as distinct from cultivating proprietary communities; for in those cases the cultivators and proprietors being identical, and no rent being paid but merely the quota of Government revenue, no remarks regarding *rent* can possibly refer to these "Bhyachara" or cultivating proprietary communities. Well, then, I think it will be admitted that the mere tenant, the ordinary cultivator, is poor, has no command of capital, and lives for the day and from hand to mouth, spending any profits a good year may bring him in the marriage ceremony of a son or daughter, or some other relative, in fact doing anything with it but storing it up against a rainy, or in this country (which goes by contraries) a dry day. Whilst canal irrigation was very cheap, and the water rates were adapted to the crops, he sowed as much sugar cane, cotton and wheat as he could manage to sow, and look after, and weed and irrigate, and poorer crops in the rest of his land, which he could water once or twice, or perhaps three times, but could depend much upon them to take care of themselves. Every one knows that the finer and better the kind of crop, the more is the labour required, there is more ploughing, more weeding, more watering, and more general looking after necessary for wheat than for barley, even putting the "khurreef," or common millet and pulse crops out of the question. Rather therefore than pay the enhanced canal water rates for his poorer crops, he will not take the water. He will increase his wheat perhaps a little, but he certainly will not be able to do so much, and will rather trust to his fortune and the chance of rain for his coarser crops, than pay canal water rates for their irrigation when he knows that it is doubtful if it will repay him to do so.

Paragraph 24.

Whilst upon the subject I must allude to the great difficulty which would be experienced in introducing the differential rates ordered in the Governor General's Despatch on the introduction of the permanent settlement, viz., a different scale of rates to be charged for canal water on lands assessed as canal irrigated in the settlement, and another higher scale for lands which have since come under canal irrigation, and which were not included in the assessment as canal irrigated lands. If properly carried out, this system of two sets of rates, a higher and a lower scale, will, in many instances, be in force in one and the same village, and on one and the same irrigating channel in that village.

The complication that would ensue can be more easily imagined than explained, but it would be such as to affect every canal irrigated village of whatever kind of tenure whether ("Zemindaree") belonging to one or more proprietors, and cultivated by their tenants or ("Bhyachara") to a cultivating proprietary community, into which it was introduced. The result would be numerous intricate quarrels and squabbles amongst the members of a cultivating proprietary community, and in "Zemindaree" estates, of endless litigation between landlord and tenant, and the fire-brand of such another general blaze regarding rent as is now raging in Bengal Proper.

Q. 2. Whether, in assessing lands for the permanent settlement, it is incumbent on the Government to assess irrespective of canal irrigation, or upon existing assets?

A. 2. I have already discussed this question at some length in my pamphlet "On the introduction of the permanent settlement of the Land Tax," and I again recapitulate briefly the chief points in favour of assessment entirely irrespective of canal irrigation.

1st. Security of Government against prospective loss, from the canal being still in its infancy, and irrigation therefrom fluctuating and uncertain, and hence assessment thereon necessarily inadequate; and also security of Government against undue sacrifice of profits from extension of canal irrigation, and more particularly to hitherto unirrigated and even uncultivated areas.

2nd. Stability of land revenue, and the immunity of Government from suspensions and remissions of revenue, and from being cast in damages for loss of profits sustained by proprietors in the event of sudden, partial, or extensive, or even total failure of canal irrigation for a short term or a lengthened period.

3rd. Uniformity of practice and consequent entire freedom from complication and misunderstanding, which is likely to arise if one uniform plan of assessment is not adopted; and also of the system proposed, of assessment upon natural capabilities irrespective of the canal, to present and future state of canal, whether now completed, or in process of formation, or not yet even contemplated, be those canals the property of Government or of private companies.

4th. Great gain to Government as owner of the canal from being able to enter the market, and charge the full price and value of its canal water, and the entire liberty of Government to withhold the water from certain places, and to distribute it wherever it was most remunerative, unshackled by any guarantee or even implied promise to keep up a certain supply in a certain place. Also a similar liberty of action in the event of the canal becoming the property of a company.

5th. The justice and equity of charge for canal irrigation being made only for such lands
and

and to such an extent as water is actually supplied, and from those who use and profit by the water which cannot be, so long as assessment is made in perpetuity upon either the average of past years of canal irrigation, or upon any data now obtainable, and the supply of canal water is as uncertain and fluctuating as it now is.

6th. Uniformity and equality of assessment, which cannot be obtained if the assessment is made inclusive of canal irrigation, when that canal irrigation is daily extending and reaching lands already permanently assessed, inclusive of canal irrigation close by, within a few miles, which are more highly assessed, and can with difficulty obtain that supply of canal water they have hitherto enjoyed, and which is absolutely necessary to them to keep them in fair competition with their neighbours, and to pay their revenue already enhanced upon the supposed certainty of supply of an adequate amount of canal irrigation.

Under the first head of security of Government against prospective loss comes up again the question of differential rates or two different scales, one the lower for canal irrigation for lands already assessed in the settlement as irrigated, and the other, the higher, for new irrigation from the canal which has not been included in the assessment of the land revenue. Unless differential rates are extensively adopted, the loss to Government must be great; and if they are adopted, the complication will be so gigantic as to swamp the revenue, and civil courts of the district, and very probably to necessitate the deputation of special officers for the mere decision of cases consequent upon the introduction of differential rates.

Mr. Martin, the Collector of Mozuffernuggur, in his letters to the Board, and in comments upon my pamphlet, is of opinion that differential rates will not be required in one and the same village, but merely in different tracts. Mr. Martin of course knows his own district best, and is very likely correct in his assertion, but he also well knows that these said differential rates would cause endless quarrels and litigation, and, in common with others to whom I have spoken on this question, and the certain difficulties consequent on the introduction of differential rates, rather closes his eyes against them, and endeavours by so doing to avoid looking the question fair in the face, and is content with saying that it need not and cannot be.

If the assessment be made upon the natural capabilities of the soil, its productiveness, and possibility of artificial irrigation irrespective of the canal, no differential rates would be necessary, but the canal authorities would be at liberty to take their water to the best market and get the best price for it.

I do not attempt to put forward any opinion of my own as to the power of the Government to increase the canal-water rates, although the assessment be made in perpetuity upon existing assets inclusive of the canal; but I merely wish to draw attention to the fact that these said existing assets, as before explained, will at once suffer and be reduced to a greater or less extent immediately upon the introduction of the proposed enhanced scale of canal-water rents. I simply ask, what will the proprietary community think of the justice and fair dealing of Government in making a permanent settlement upon existing assets largely based upon canal irrigation, and then immediately reducing those said assets, the basis of assessment, by a considerable enhancement of the canal-water rents?

The permanent assessment being openly and avowedly made upon existing assets inclusive of canal irrigation, is not Government bound not to interfere with those assets, and is not Government equally bound to keep up a regular supply of canal irrigation by which means alone the proprietor's assets can be maintained? In the event of considerable failure of supply of canal irrigation, would not claim for loss of profits and injury to crops lie against the Government? Is the Government in any way protected from such prosecution and liability to damages from the mere insertion in an arbitrary printed form of agreement that the engagement to pay a certain sum as revenue is made "without excuse for failure of irrigation"? It is an anomaly to apply such terms as agreement or engagement, I consider, to such an arbitrary document, one of the would-be consenting parties to which is in reality no free agent.

Or, to take another view of the case, which is not supposition, but I believe honestly entertained and defended by, at all events, some few adherents, is it fair, or just, or equitable, or becoming a powerful Government to make a permanent assessment of land revenue upon existing assets much augmented by, and in a great measure dependent upon, canal irrigation, and nevertheless to ignore the existence of canal irrigation as one of the chief features in and principal props of the profits of the landed proprietor and his existing assets, which are being assessed? Imagine the blank look of despair of a settlement officer on being recommended to make a full and complete assessment upon existing assets, giving all his data and reasons for such assessment, but on no account to mention the canal, albeit the canal was in reality the great element in irrigating and fertilising the land, and causing or at all events enabling it to produce those rich crops from which the assessable assets were obtained. The case of assessment upon existing assets, inclusive of canal irrigation, must be weak indeed when defenders of it have recourse to such stratagems and arguments as these to avoid the difficulties and complications which they cannot deny or disprove.

I would further ask, why have two systems of assessment; why have two methods of settlement affecting the same tract of country? Why should existing canal irrigation be included in assessment, whilst other tracts and villages which will soon be reached by canal irrigation are assessed, as they now are, irrespective of canal irrigation? What hope is there of uniformity and equality of assessment under such circumstances?

The main objection urged against assessment upon natural capabilities entirely irrespective of

of the canal, is the great loss of revenue that, it is argued or rather supposed that, this method would entail. This great amount is not in reality so very vast a sum. It has been greatly magnified by those who assert the loss would really be very great. For instance, Mr. Martin, the collector of Mozuffernuggur in some printed remarks of his upon the opinions of myself and other settlement officers on this question, hastily concluded that the loss in his district alone would be four lacs of rupees. He has already come down to two lacs, and this computation is not based upon full details and actual facts, but is a biased approximate rough calculation, to say the least of it, not altogether in conformity with our proposed method of assessment irrespective of canal irrigation. In the Bolundshubur district the loss of revenue upon the new permanent settlement of about $12\frac{1}{2}$ lacs of rupees will be 38,000 rupees,* certainly not more, and perhaps 1,500 rupees less. This is not a mere computation or approximate calculation, but a deduction from the actual results already obtained in the greater portion of the canal irrigated villages. I have, moreover, worked out and proved in three pergunnahs, which may be fairly taken as a sample of the whole tract affected by this question, that if the plan proposed in my pamphlet of increasing the canal-water rents to half as much again be adopted, Government does not lose any of that 38,000 rupees even in the first or second year, and after that must be a great gainer. This proposition, however, of mine has been in a great measure nullified by the recent orders for raising the canal-water rents under any circumstances. Nevertheless, if the assessment be made irrespective of canal irrigation, those water rents can be raised much higher than if the present system of assessment, inclusive of canal irrigation, be maintained, and all difficulty of differential rates is at once disposed of by the necessity for differential rates being itself done away with.

If, however, it be still asserted on the part of Government that there is a loss of "an extraordinary land revenue" due to increased productiveness from canal irrigation which is not made up by enhancement of canal-water rent, for that the canal-water rent is a separate matter and would be enhanced anyhow, then I think that the best method of supplying this deficiency is that proposed by Mr. Crosthwaite at the conference. For my own part, however, and this is also the opinion of our party generally, I think that, as the loss is so small when compared with the many advantages of the proposed system, the Government may well forego that slight pecuniary loss, and not have recourse to any method for recovering it. Mr. Crosthwaite's plan briefly stated is, having assessed the permanent land revenue, irrespective of canal irrigation, to have a fixed acreage rate separate from the canal-water rent to be levied upon the actual area under canal irrigation in each year, and paid as "extraordinary land revenue" to Government by the proprietor. The acreage rate would be fixed and not liable to alteration, but the actual sum paid would fluctuate and vary according to the actual area of canal irrigation. I do not apprehend that the permanency of the assessment would be in any way affected by this plan, for the land revenue would be permanent and also the acreage rate, and it would most effectually meet the fluctuations of canal irrigation. It would involve no guarantee of the supply of even one acre of canal irrigation, and be very simple in practice and easily understood. If eventually contracts for canal irrigation are given, this extraordinary land revenue might be leased out also.

Q. 3. If the former [viz., assessment irrespective of the canal], then on dry rates, or on the supposed capabilities of the soil or how?—

A. 3. Certainly not on dry rates, unless the land entirely irrespective of canal irrigation is utterly incapable of any other artificial irrigation whatever, either from wells or tanks, or the like. I have already expressed my views in my before-mentioned pamphlet, that the permanent assessment should be based upon the real and intrinsic qualities and properties of the soil, the means and appliances for artificial irrigation entirely exclusive of canal irrigation, and upon the land, its fertility and productiveness, its immunity from drought, or its liability to being affected by unseasonable years, its peculiar features as it was and might again be without the canal, and even still is or might be with the canal in existence, or in other words upon its natural capabilities.

I have been misunderstood to mean, in my pamphlet, that I advocated assessment on dry rates, simply because, in an exemplar, in which the point at issue was canal irrigation or no irrigation at all, I purposely avoided making the subject under discussion intricate by the introduction of foreign matter; and also because, in treating in another place of canal irrigated lands in contradistinction to unirrigated lands, I took for granted that the readers of my pamphlet would read it as a whole, and not select one or two stray sentences irrespective of the context and drift of the argument, and apply to them a meaning, apart from the general argument, which they were not intended to convey. I would request those who so misunderstood me to compare the passages noted in the margin, and to read them together as connected portions of the same argument. I fancy it will not be denied that facility of irrigation due to solidity of sub-soil and proximity of water to the surface is included in "the intrinsic properties and productive qualities of the soil," or in "the physical and natural properties and qualities of the soil."

I object to the term used in the question "supposed capabilities of the soil," and maintain that the capabilities are real and not supposed, by no means so much supposed or conjectured

* Although the total loss to Government is small and insignificant, yet the difference of assessment in particular instances is considerable, varying from 10 to 15 and even 25 and 30 per cent. in some particular villages.

jectured as the existing assests of a "Bhyachara" village in which there is no rental, where the proprietors are the sole cultivators, and pay no rent but merely distribute and pay the amount of the Government demand.

Mr. Martin, in supporting the present, and opposing the proposed system of assessment, casts in our teeth that our system is nothing new, that it is the system that has always been observed in all assessments up to the present time, that it is merely existing procedure dressed up and decked out in long high-flown terms and flourishing titles, and called "assessment upon natural capabilities." We do not profess that our system is new, that it is any fancied theory, that it is any invention of our own ; and the only flourishing title of which I am aware, and to which we none of us lay claim, is the designation applied to our system by Mr. Martin, "wholesale charge for wells not in existence."

Strange inconsistency this. Our system is not new, but it is based upon "wholesale charge for wells not in existence." Is this the method, are these the principles upon which all the long term settlement now coming to a close has been made?

Q. 4. If the latter [upon existing assets], then on a summary or average rate, or on the actual jumma bundee?

A. 4. If the assessment is to be made upon existing assets inclusive of canal irrigation, the same process and details and mode of procedure should be adhered to as now exist. No assessment can be made on the actual "jumma bundee" or rent-roll, for in many "Zemindaree" villages the rent-roll is false and useless, and in "Bhyachara" there is no rent-roll at all. The result of carefully ascertained and accurate average rent rates for the various kinds and denominations of soil, checked by and compared with true rentals wherever obtainable, and also by summary rent rates irrespective of quality and denomination or irrigation, and the results obtained therefrom, give as accurate assumed rentals as can be required. The average incidence or acreage rate of Government revenue in villages of like capabilities is a very safe test, both on the cultivated and also on the "malgozaree" or assessable area. To fully include canal irrigation, however, the wet rates would have to be applied to all lands irrigated from the canal, or at least to the nearest approximate average extent of canal irrigated area obtainable. But the entire area irrigated from the canal is by no means solely dependent on the canal, but is much of it irrigable from wells, and hence all lands irrigated from the canal cannot be assumed to be unirrigated but for the canal, and entirely dependent upon the canal for capability of paying wet rates.

Q. 5. Whether the permanent settlement should be deferred until after the completion of the Ganges Canal?

A. 5. If it is determined that assessments be made inclusive of the canal, yes, certainly. For when the canal is remodelled and completed, it is very doubtful whether the distribution of the canal irrigation will be anything similar to what it now is. Villages and lands which might now be assessed comparatively lightly on account of a small amount of canal irrigation, may then get a great quantity of canal water over a large area; and on the contrary, villages now thoroughly and almost entirely irrigated by the canal, may afterward be able only to obtain a very much smaller supply, and be charged a higher price too for what little they do get.

If, however, the proposed system of assessment upon natural capabilities entirely irrespective of the canal is adopted, then any such delay is unnecessary. Indeed the sooner and quicker the revisions of assessments are made, as the settlements expire, the better.

Q. 6. Whether any amount of land revenue can fairly be credited to the Canal Department?

A. 6. Supposing that the assessment is made inclusive of canal irrigation, and that any portion of the land revenue is based upon, or in any way dependent upon, canal irrigation, there can be no harm or unfairness in crediting that portion of the revenue to the canal, but this is a mere matter of detail in account. I however look upon land revenue as entirely separate and distinct from canal profits, and am myself averse to mixing the two up together. If, however, the Government will not consent to forego the small and comparatively trifling initial loss from assessment, irrespective of canal irrigation, and maintains that there is a further extraordinary increase of value added to the land, which cannot be touched by enhanced water rates, then, as described before, I would meet that loss by the fixed acreage rate proposed by Mr. Crosthwaite. The sum thus collected would be variable (though the rate itself would be fixed), and would depend entirely upon the amount of supply of canal irrigation, and might fairly, and indeed, I think, should be credited to the canal as an extraordinary revenue caused thereby quite separate and distinct from the price of the water. So long as Government kept the canal in its hands, this extraordinary revenue would be credited to the canal, or rather in the name of the canal. If the canal were made over by Government to a Company, this extraordinary revenue would be collected by Government or the canal company, according to previous arrangement and special conditions. If it was agreed that the revenue should be collected by Government, and not be given over to the canal company, then that item would assume the feature of a royalty paid to Government by the landed proprietors for the use of, or permission to, use canal water, and would become one of the extra or "sayer" items of the revenues of India.

Q. 7. If the settlement be made on existing assets, of which a portion is derivable from canal irrigation, should the assessment on this portion be made separately from the assessment on the assets which may be held independent of canal irrigation?

A. 7. I consider that in such a case it is absolutely necessary and expedient, and also fair and just that the assessment of the amount of revenue entirely dependent upon and due to canal irrigation, should be shown distinct. The entire Government demand, or "jumma," should be named and sub-divided into two heads, the one the amount irrespective of canal irrigation, and the other that dependent upon canal irrigation.

Even this plan, however, which is not approved of by many of the supporters of the present system of assessment upon existing assets, inclusive of canal irrigation, does not by any means meet the exigencies of the case. The doubt and uncertainty which would exist, and the numerous claims to remission would respectively go far to counteract the benefits of a permanent settlement, and also defeat the very object of the discrimination in the assessment between the two amounts. The remission where it was necessary, and if necessary, it should be speedy and instantaneous, would be tardy, and great hardship would have been sustained during the delay. There would be a great unwillingness also on the part of the district officers to acknowledge the necessity of any remission, and great opportunity offered to all the subordinate native officials for speculation and oppression. That assessment could not be *ad valorem*, and it could not do away with the greatly-to-be-dreaded and if-possible-to-be-avoided differential rates. I think it would cause a great increase of work, and would not afford any real speedy relief where it was most required. If the district officer granted or recommended considerable reductions and remissions, he would soon have his attention drawn to the fact that in his district alone the remissions of extraordinary revenue due to the canal exceeded such and such a sum, that in no other district was any such like extent of remission granted, &c., &c., &c.

As the settlements are made permanent, I presume that the demands for payment of revenue punctually will be more strictly enforced, and Government will endeavour to reduce the Tuhseel establishment and expenditure in collection of revenue; but how can this be done so long as it is more than probable that the assessment will press heavily in places and not be easily collected, and that there will be continual applications and inquiries on foot about remission of extraordinary revenue owing to failure of supply of canal irrigation.

So long as the land revenue and the canal are mixed up together and not kept entirely separate and distinct, there must constantly be complications arising which I think it cannot be denied must greatly affect the permanency of the settlement, and the anticipated advantages supposed to follow immediately upon the declaration of permanent settlement.

Great stress was laid in the conference, and frequent reference made by some of the senior members present to the fear and inadvisability of putting so much power into the hands and faith upon the judgment of the settlement officers as to allow them to assess irrespective of canal irrigation. Is it that the settlement officers have shown themselves to be mere theorists, crotchety, and not practical? Is there no supervision now exercised over settlement officers, or is it deemed to be impossible to test the correctness of their views, their data, and reasons for assessment, simply because irrigation from the canal is excluded from the ground work of assessment? Which of the two is preferable (even supposing for the nonce that settlement officers must be looked sharp after, and are not to be trusted, being by nature theoretical and obstinately crotchety, without a practical knowledge of their duty, and requiring a corresponding amount of supervision and minute surveillance) that such power should be entrusted temporarily to settlement officers and a really sound and permanent settlement upon the firmest and most secure basis be obtained, or that the permanent settlement, inclusive of canal irrigation, should be liable to be a constant cause of great damage and oppression from the supreme control of the canal irrigation being entirely in the hands of a few European canal officers with a large staff of native underlings who can any one of them cut off the supply of water from a village entirely dependent upon canal irrigation. Such cases have happened over and over again, as a village being punished by deprivation of canal water for a time, sometimes for a few days, sometimes much longer. Just think what tremendous power is put into the hands of every executive engineer on the canal, and of all his subordinates (who are and must be so numerous that the European officers cannot possibly exercise that amount of supervision and control that is necessary) when the permanent assessment is made inclusive of canal irrigation, and upon the obtaining a regular supply of water depends very likely the possibility of paying the Government revenue. Here is a constant fear of abuse of power, which very power would be much lessened by the assessment being entirely independent of the canal, and the canal department only credited with the proceeds obtained from canal water regularly supplied.

How is the difficulty of the "colabas," or outlets on the irrigating channels of the eastern Jumna Canal, being the property of individuals to be otherwise overcome, being, as they are moveable property, entirely distinct and separate from the village, and sometimes even from the particular watercourse? Will Government buy these up at their own price, or at the value originally paid by the purchasers? Their value has now doubled, and the very owners of these "colabas" are entitled to great consideration for having come forward and purchased them at a time when the money was required by Government, and on the purchase of these "colabas," depended the construction of the irrigating channel in which they were to be placed. The proprietors of these "colabas" are in reality joint-stock proprietors in the canal, and though they purchased their shares cheap are not likely to wish to sell them at all, and certainly not at any thing like the price at which they purchased them. On the Ganges Canal too it must not be supposed that the entire expense has fallen on Government; on the contrary large sums have been collected for village water-courses or "gools," small feeding channels varying from half a mile to two miles in length, offshoots

from

from a main water-course or "Rajbaha." This has fallen very hard on certain villages and individuals, and in many instances cultivators have been paying canal-water rent, and defraying the expenses of the "gool," and also paying enhanced (*i.e.*, wet) rents to their landlords. This subject is, however, now prominently before the Government, and will no doubt be remedied. The proposed enhanced canal-water rents should include all expenses, and Government should construct and keep in repair all channels and water-courses.

I believe that the canal-officers are quite unanimous in wishing that the two Departments of Revenue and Canal should be kept entirely separate from each other. I wish to draw attention to the confirmation of my assertions regarding the uncertainty and fluctuation of canal irrigation which will be found in a short pamphlet by a canal officer published in October last, under the title of "Memorandum on canal irrigation in connection with the permanent settlement." It will be seen that the author of that pamphlet entirely agrees with me in the proposal for assessment irrespective of canal irrigation, and enters at some length into the causes of the impossibility of anything like a certainty of supply of canal water, and its annual and regular distribution in equal proportions, without which it is simply impossible to make a fair, full and satisfactory assessment upon assets largely dependent upon canal irrigation.

Q. 8. How would you make the permanent settlement if the canal had been made over to or were the property of private companies?

A. 8. It will be readily seen by what I have already written that I should entirely exclude from assessment of land revenue all assets entirely due to and dependent on the irrigation from the canal, and should make the assessment as before explained upon the natural capabilities of the soil and other means and appliances for artificial irrigation than the canal. I do not think that the instance of a railway opening up communication and raising prices and indirectly raising the value of land and the wages of labour is a parallel case. I do not see that it is a correct line of argument to hold that, because the Railway Company cannot claim a share of the Government Revenue which has been enhanced since the changes above named have taken place, therefore the Canal Company could not object to or claim a share of enhancement of revenue caused by the irrigation from their canal, or that it could be argued that the enhancement of Government Revenue in consequence of canal irrigation did not in any way affect the lawful income and profits of the Canal Company realizable from the sale of their water for irrigation. The difference between the two cases, and the consequent absence of any correct parallel between the two, appears to me to lie in the fact of the former instance and its results being general and indirect, whilst the increased productiveness arising from and dependent upon the canal is particular and direct. The influence and effect of the canal is special, recognizable, and tangible, and the canal itself is for the purpose of irrigation. The ostensible object of the Canal Company would be to supply irrigation and raise profits by the sale of their water, demanding a price for the water as nearly as possible commensurate to the increased productiveness resulting from the use of the water. I fail to see the correctness or force of the argument that an enhanced assessment of the land revenue upon those lands irrigated from the canal would not in any way affect or lower the price obtainable for the water. Surely this does not in any way hold good with or apply to the would-be parallel case of a Railway Company.

Suppose that in Calcutta the Government was to lay a tax of one rupee per mensem on every gas-lamp in the streets or in private houses, whilst no such tax was laid upon oil-lamps. Would not this tax immediately and directly affect the income and profits of the Gas Company? If gas (like canal water is in some places) was an absolute necessity, it would still be burnt, but the lamp posts would be put five or six yards further apart, and one gas-lamp would be found sufficient to light a hall where two had been used before, and the result would be a smaller consumption of gas and a corresponding loss to the company. I do not argue that Government could not or should not impose that tax, and reduce Calcutta to oil-lamps or perfect darkness; but I maintain that, as the imposition of the tax on the gas-lamp would affect the profits of the Gas Company, so also would the increased tax upon canal irrigated lands influence and lower the profits of the Canal Company, and that if the canal was the property of a company, the assessment should and probably would (except under some special arrangement) be made totally irrespective of increased productiveness and enhanced value of the land entirely due to canal irrigation alone.

ANSWERS to Questions by Messrs. *Forbes* and *Crosthwaite*.

Answer 1.—We answer that the total rent paid to the landlord is practically affected by variations in the canal water rate; but the water rate, in our experience, has not, and in our opinion cannot, affect the relative rates of rent in any given tract of country, provided that the water is not sold below the natural price of water in that tract. That price is the maximum cost at which water can be raised from the earth, leaving a remunerative profit to the cultivator.

Answer 2.—We think that it is incumbent on the Government, as a matter of honesty, to assess independently of the profits of canal irrigation, if they oblige the landlord to engage permanently.

If the canal supply could be even approximately guaranteed, our objections as settlement officers would cease; our difficulties in finance and administration would only begin.

Answer 3.—We would assess on the ascertained, not on the supposed capabilities of the soil, including in those capabilities the natural facilities for irrigation.

Answer 4.—We would assess on the ascertained "sursurree," *i. e.*, average rates, not on a jumabundee, which, even if actual, is only a fair representation of a single year.

We find existing in every part of a district, sometimes over a whole pergunnah, at other times in a cluster of villages, or it may be even in a single village, a known prevailing rate of rent amongst the people which has been in force previous to the opening of the canals. This is distinctly a capability rate, settled and determined by the people themselves from the experience of a long course of years. This known rate would form the basis or foundation of the whole permanent settlement. It should take the place of the assumed pergunnah rate, which, under the whole system, is arrived at by the settlement officer after abstruse calculations, based upon unfixed and variable data.

In proceeding to assess each individual village upon such known rate as our basis, we should lower or raise our rate as any special natural advantage or disadvantage, found to exist, might require. The distinction, therefore, between the old system and that proposed by us is this; that formerly assessments were made on, and assumed rental based on a calculation of existing assets; ours would be based on actual rates found to exist.

Answer 5.—No; we would not defer the permanent settlement until the canal repairs should be completed, because we would assess irrespective of the canal.

Answer 6.—Certainly not; the canal has nothing to do with the land revenue; as well might the guano merchant ask the farmer to place to his credit a portion of the profits of the land manured.

Answer 7.—If the settlement is to be made on the existing assets, of which a portion is derivable from canal irrigation, then, to secure the permanency of the settlement, and to prevent loss to the State, a separate assessment of that portion must be made.

But such an assessment is contrary to the principle on which, in our opinion, a permanent settlement should be made.

Answer 8.—If the existing Ganges Canal belonged to a company, we would still make the permanent settlement on the principles laid down in the answers to Questions 3 and 4.

Agra, January 1865.

(signed)

W. A. Forbes, Collector and S. S.
C. H. E. Crosthwaite,
Assistant Settlement Officer.

ANSWERS to Questions by Mr. *Money*.

1. THE ryot has the option of taking water or refusing it. He will not take it unless the value of the increased produce obtained by irrigation, exceed the amount of water-rate that he is required to pay. The use of canal water can, therefore, never afford a ground for reduction of the rent payable to the landlord; on the other hand, the landlord will be almost invariably entitled to demand an enhancement of rent under the conditions contained in the ruling of the Sudder Dewanny Adawlut in the case of *Kunjee Lall versus Ratu Lall*, 1st April 1863. The amount of water-rate paid by the ryot will be deducted from the increment of the gross proceeds, and the landlord will be entitled to claim an enhancement of rent proportioned to the net increase of produce.

The rent may be affected to the landlord's benefit by the substitution, in consequence of irrigation, of superior for inferior kinds of crops.

2. I have not time to recapitulate the arguments that have been advanced in favour of either course, and can, therefore, only state briefly my opinion, which is, that the exclusion of the assets due to canal irrigation would involve so large a loss of revenue that it is incumbent on the Government to make the settlement on existing assets. (Connected with this question, see further remarks in answer to Question 7).

3. In

3. In either case the settlement should be made on the supposed or ascertained capabilities of the soil, viz., if on existing assets, on the total rent now realised by the landlord, or, if the assessment be made independently of the assets due to canal irrigation, it should be on the total rent that the landlord would realise if the supply of canal water were entirely cut off.

4. With certain modifications, the settlement would be invariably made on the actual jumma, if this could be ascertained, but the settlement procedure requires that the assessment should precede the ascertainment and record of the rent roll. It would not be possible to obtain a correct rent roll if the landlord were aware that it would form the basis of the assessment of his estate.

Average rates alone are not sufficient for the determination of a jumma, because the conditions which affect the rent rolls of estates are so numerous and variable, that it is not possible to fix an average rate which shall be generally applicable. Each estate must be settled with special reference to its individual capabilities. General averages are very useful for the purposes of comparison. By directing attention to marked variations, they may often enable the settlement officer to detect errors in his estimates of actual assets on which the settlements are professedly made. The lands of two estates may be precisely similar, both in quality and extent; but it will not necessarily follow that their jummas will be equal, or will fall at the same rate either on the cultivation or the Malgoozaree. If the jummas were equal, they would, under the supposed conditions, necessarily fall at the same rate on the Malgoozaree; but if one estate had reached the utmost limit of cultivation, the settlement officer would be justified in making the settlement at less than half assets, with reference to the exceptional heaviness of the rate at which a full settlement would fall on the Malgoozaree, and to admit of the normal proportion of land being allowed to lie fallow. If the other estate were only partially or insufficiently cultivated, the settlement would be made at more than half assets, the rate on the cultivation being exceptionally high with reference to the lightness of its fall on the Malgoozaree. In every instance the settlement officer will endeavour to ascertain the actual assets, and will make his assessments thereon, with any modifications that may be due to capacity for further improvement or the reverse, or to any peculiar circumstances affecting the estate.

5. I would not defer the permanent settlement. Remissions may be granted on special reports in all instances where serious loss may be incurred by the stoppage of the canal.

6. No portion of the land revenue should be separately credited in account to the Canal Department. The canal will of course take credit for all that is realised in the shape of water-rate; but suppose the canal were sold by the Government to a company, the purchasers could not claim any portion of the enhanced revenue which had resulted from the canal irrigation. If such claim were admitted, the Government might hereafter with equal reason admit a claim of the Jubbulpore Railway to a portion of the increased revenue which will certainly be obtained from the Central Provinces when an easy outlet is afforded for the surplus produce which cannot now be exported. Rents will then be enhanced, and enhancement of revenue will necessarily follow. This enhancement will be due to the railway; but the railway must be satisfied with its carrying charges, as the canal with its water-rates.

7. I would advocate the division of the jumma of every canal-irrigated estate into ordinary land revenue, and revenue due to canal irrigation. Remission of the latter portion would be claimable on the failure or stoppage of the canal. I regard as fallacious the argument that such a provision would affect the permanency of the settlement. If the settlement is to be made on existing assets, and I understand the resolution of the Viceroy to provide that it shall be so made, the permanence of the settlement must be contingent on the maintenance of the canal. Notwithstanding any engagements that might be entered into for the payment in perpetuity of a jumma assessed on existing assets, such jumma must be reduced if the canal were to fail. The settlement would be actually permanent only in name, while it would be virtually a settlement subject to modification in the possible event of the stoppage of irrigation. By the other arrangement we should honestly admit the settlement to be what it necessarily must and will be, and should avoid the difficulty of obtaining the unconditional engagement of one party to the stipulations of a contract of which all the conditions, expressed or understood, are not held to be binding on the other. The Government would bind the zemindar to pay in perpetuity a revenue which could only be paid in the event of the canal being maintained, but would not, on its own part, at the same time guarantee the maintenance of the canal.

14 January 1865.

(signed) *R. Money.*

ANSWERS to Questions by Mr. Robertson.

1. THE scale of the canal water-rate will only affect the rent derived from the land in tracts not possessing any natural facilities for irrigation; if, for instance, water is found within 16 or 18 feet from the surface, and kutchas wells can be easily constructed, should the canal water-rates be increased very considerably in a portion of the district where labour is abundant, the canal water will not be taken; though, if labour is scarce, well irrigation cannot be so easily resorted to immediately after the increase has taken place, still eventually the result will be the same. But should the canal rates be increased very considerably where water is far from the surface, the cultivator must accept these rates, which will eventually affect the rents received by the zemindar, the cultivator's profits being undoubtedly diminished to the extent of the increase made. The loss of profits to the cultivator, and consequently the zemindar's rent, will, however, under these circumstances, vary very considerably, according to the class of the soil and the facilities for procuring labour. High canal rates being demanded, a poor soil will not be irrigated unless labour and manure can be secured at low rates; thus for this soil the zemindar will only secure rents for bad unirrigated land, though rich lands may at the same time, and by the same cultivator, continue to be irrigated in spite of this high rate of water-rent; but here, even, the zemindar's rents will eventually suffer.

As a general rule, however, in the Saharunpore district, the water being near the surface in the tracts irrigated by the canals, the rents will not be affected by any increase in the canal water-rates, well irrigation being at the present time less expensive than canal irrigation, though the latter is preferred by an indolent race as being less laborious than irrigation from wells.

2. It appears to me incumbent on the Government officer to fix the assessments for a permanent settlement on the existing assets, even should these be partially dependent on canal irrigation. The canal has been formed from funds belonging to India in general; and in granting a particular section of the population, peculiar advantages by the expenditure of the public money, that section is bound at the same time to accept the risks attendant on those advantages, which are, after all, very inconsiderable; and in reality not merely so great as exist in some portions of the country visited by locusts, hailstorms, &c. &c. In the Saharunpore district, the natural facilities for irrigation are so great that it almost becomes a question whether it would not be a preferable course gradually to withdraw canal irrigation altogether, and reserve the water for those tracts where it is more required. Still there are localities of limited extent now watered by the canal where well irrigation could with difficulty be carried out. Generally, however, where this is the case, the soil is of a character that presents peculiar facilities for the formation of tanks, which is not generally the case where the water is near the surface; consequently, the zemindar who accepts the profits derived from canal irrigation for a long series of years, can, if he wishes, diminish or avoid the supposed risks of failure in the supply of water by devoting a portion of those profits to the construction of tanks. As he possesses this power, it is his own fault, and not that of the Government, that he does not become independent of the canal for irrigation, the Government having placed at his disposal the means of being so from funds belonging to the country in general, and at no expenditure of capital on his part; consequently, even in this case, where half the zemindar's profits may be at present undoubtedly dependent on canal irrigation, this circumstance should not affect the assessments in a permanent settlement. Banda or Humeerpore would gladly accept on the same terms the expenditure of the public money on works of irrigation for their benefit; and this not being the case they have a right to demand that the favoured districts should at any rate diminish the general taxation by higher rates of assessment on irrigated lands.

3. The answer to this question has been partially included under No. 2; though in assessing land for the permanent settlement it would appear that the profits derived from future canal irrigation should, if possible, be considered, and the increased assessment determined in the event of the canal ever entering the estate in question, for this advantage will be derived from the expenditure of the national funds, and justice requires that the national income should be increased accordingly. Even when including the profits derived from canal irrigation, however, the character of the soil and natural facilities for irrigation must be considered. An estate, for instance, where the water is within sixteen feet of the surface, is independent of canal irrigation, even though no wells now exist, and consequently an allowance that might be made for the occasional uncertainties attending canal irrigation would not here be granted; but where well irrigation is impossible, and the estate is entirely dependent on the canal for irrigation, a certain allowance must be made.

4. The mode of ascertaining existing assets will vary according to the locality and tenure, but can never apparently be ascertained with any certainty, particularly in districts where payment in kind prevails. In a village leased out to a farmer or to the cultivators by a proprietor who lives two hundred miles from the spot, the proprietor's profits at any rate can be discovered, though this could not be accepted as determining the best jumma. But should the proprietor of the estate live on the spot while leasing his estate to a farmer, he invariably retains so many perquisites that it is extremely difficult

cult to discover the income he derives from the estate. Then, in an adjoining estate, in every respect similar to the one referred to, the land is partly cultivated by the proprietors, and partly by cultivators paying rents, some in kind, some in cash, while others partially pay their rents by labouring on the zemindar's fields. Here and in numerous other cases, particularly in *bhyachara* estates, it is extremely difficult to discover what the existing assets are; and an average rent rate per acre for the various soils, viewed in connection with the facilities for irrigation existing on the estate, forms apparently the safest guide, though by no means the only one.

5. An outline of the extent of irrigation proposed to be carried out from the Ganges Canal should apparently be framed before completing a permanent settlement and sent to the settlement officers.

6. A memorandum could easily be framed giving an approximation to the amount of the land revenue which might be attributed to the influence of canal irrigation, but this estimate would possess little value wherever well irrigation can be carried out as profitable as canal irrigation, which is the case throughout the greater portion of the Saharanpore district.

7. A settlement being made on existing assets, there appears to be no reason why that portion supposed to be derived from canal irrigation might not be shown separately from that portion which may be held to be independent of canal irrigation.

8. In making a permanent settlement, no distinction is apparently necessary whether the canal belongs to Government or to private companies, though the latter will not probably undertake their construction till the permanent settlement would come into force. Any attempt to make a distinction would involve complications, the results of which it would be impossible to calculate.

(signed) *H. D. Robertson.*

ANSWERS to QUESTIONS by Mr. *Shakespear.*

Question 1.—How far does canal water rent practically affect the rate of rent paid to the landlord?

Answer.—The water rent is ordinarily paid by the cultivator, and it stands to reason that the landlord will seek to enhance rents under the law when he finds that the cultivator is making large profits owing to canal irrigation. Enhancement will be made as a matter of course on the increased profits.

Question 2.—Whether, in assessing land for permanent settlement, it is incumbent on Government to assess irrespectively of canal irrigation or on existing assets?

If the former, then on dry rates, or on the supposed capabilities of the soil, or how?

If on existing assets, on a *sursurree*, or average rate, or on the actual jumabundee?

Answer.—I would assess on existing assets, for it appears to me that if we abandon this system we shall be without such data as can be relied on, and such as can be fairly tested. The actual jumabundee will afford the safest ground for assessment.

Question 3.—Whether the permanent settlement should not be deferred until after the completion of repairs of the Ganges Canal?

Answer.—I see no reason for this. The Ganges Canal is admitted to be in a very unsatisfactory state at present, and it is still to be seen how far it is possible to put it into really efficient working order; or, having done so, how far it is possible to keep it up in such a way as shall secure an unfailing supply. My belief is, that the canal will be a constant source of trouble, and this only confirms me in my opinion that the land revenue should be determined on existing assets irrespectively of it.

Question 4.—Whether any amount of land revenue should fairly be credited to the canal?

Answer.—I do not think that any credit need be given to the canal in account. The benefits resulting from it have been great, but it is not an unmixed good; and if the Canal Department is allowed to levy a higher water-rate, there is no reason why it should not realise as large a return as it is entitled to. If the management is good, the water will be freely taken; but I am opposed to making the land revenue in any way dependent on the Canal Department.

Question 5.—If a settlement be made on existing assets, of which a portion is derivable from canal irrigation, should the assessment from this portion be made separately from the assessment which may be held to be independent of canal irrigation?

Answer.—I would object to make a separate account for the Ganges Canal in assessing land revenue for permanent settlement.

It would take away the permanent character of the settlement, which it is of such importance to place beyond all doubt.

The suggestion appears to be made in contemplation of a failure or temporary closing of the canal; but the probability or even certainty of such a difficulty would not, I think, require, as in assessing for permanent settlement, to separate what is believed to be derivable from canal irrigation from other sources of profit.

In his remarks on canal irrigated villages, the settlement officer will of course notice

clearly to what extent the village is benefited by the canal; but I would not recommend that, at the outset, a distinction should be drawn assessing so much on account of the canal and so much as independent of it. Such a proceeding would undoubtedly lead to the expectation that, in the event of a stoppage of the canal, the whole of the sum thus entered as being obtained through its agency should at once be deducted from the Government demand.

But, as it is admitted that in many parts of the country, notwithstanding that canal water is taken, it is not a necessity, and that its place could be readily supplied by irrigation from wells at less cost of money, though with more exertion, it would be out of the question, on failure or stoppage of the canal, to allow a decrease on the land revenue to the extent of the demand entered as due to the canal.

If the separation in assessment under consideration is not intended to answer the purpose of providing for a ready adjustment of the Government demand on failure of the canal, by allowing the amount so shown to be absolutely claimable as a remission, I do not see what advantage the plan would possess over the system of assessing on the existing assets, and leaving cases of hardship arising from withdrawal of canal water to be dealt with separately as they occur.

It is certain that, in the event of the canal being closed for repairs, consideration would be given to the loss which it would involve; but it does not follow that the remission to be allowed would be represented by the full value of the irrigation now available. In many instances the people would at once revert to their wells; and, as has been noticed in this discussion, in some cases actual advantage would follow from the withdrawal of the canal water.

I see then no adequate object to be gained by assessing separately on account of the canal. On the contrary, the effect would, I think, be unnecessarily to weaken the permanent character of the settlement, and at the same time unsettle the minds of the people.

(signed) *A. Shakespear.*

ANSWERS TO QUESTIONS by Mr. Martin.

Question 1.—How far does canal water rent affect the landlord's rent?

Answer.—Canal water rent does not affect the rental which reaches the landlord, provided the price of the water does not exceed the cost of well irrigation, or, in another form, provided the minimum of profit upon which a cultivator can advantageously carry on his cultivation, be not encroached upon. If the price of water be raised fabulously high, the cultivator would of course demand a corresponding reduction in the land rent; but nobody, I think, ventures to assert that such a price is likely to be demanded. The last resolution of the Governor General in Council regarding the future price of canal water keeps well within the bounds of moderation, and at present there is no reason to apprehend the landlord's rental will be in any way lowered.

Question 2.—Whether, in assessing lands for the permanent settlement, it is incumbent on the Government to assess irrespectively of canal irrigation or on existing assets?

Answer.—The Government revenue should be assessed at half the present rental for the following reasons:—

1st. The largest amount of revenue to which Government is equitably entitled is hereby ensured.

2nd. There are less complications by assessing at a moiety of the rental than by any other course, and certainly the present system is the most agreeable to the landed proprietors.

3rd. If assessments are made irrespectively of the canal, Government must be prepared to suffer a considerable loss of revenue; such a loss as cannot be made good by raising the price of water, or by the application of a natural capability rate to the various kinds of soil, or indeed by any other known process.

4th. The permanency of the demand is not hazarded, provided the conditions mentioned in the answer to the 7th and last question be adhered to. Granted the Ganges Canal is uncertain in its action, so are the elements and other severe visitations of Providence, and the latter will most assuredly affect the literal permanency of the demand for a particular year just as much as the former; but then it is said one of these disturbing causes is within, while the other is beyond the power of man. True, but as both presume an abnormal state of things, I take it an especial remedy would have to be applied in the one just as much as in the other case.

Question 3.—If the former, then on dry rates, or the supposed capability of the soil, or how?

Answer.—After allowing for the actual number of wells thrown into disuse by the canal for any irrigation from rivers, jheels, tanks, &c., the balance of the assessment must be at dry rates on the different kinds of soil entered in the *kusreh*. The plan adopted in the Moozuffernuggur district has been to divide the mouzahs composing a pergunnah into three or four classes according to their natural fertility; and having done this, we proceed to classify the soils in each mouzah; to each circle of mouzahs there are separate irrigated

irrigated and unirrigated rent rates for each of the four kinds of soil. Supposing we find a mouzah without any wells, but retaining moisture, the soil is able to bear valuable crops such as cane and cotton; then we would place this mouzah in the first circle, and the unirrigated rates would be proportionally high, not equivalent to a full irrigated rate, still a rent rate higher than on soils where there was no moisture, and consequently less productive power. But I object most strongly to a wholesale charge for wells that are to come into existence, no one knows when, nor where the money is to come from to build them. If such a rating were to be allowed, it must lead to over-assessment; if we do deviate one way or the other, let it be towards a moderate assessment, taking facts as we find them, not as we think they ought to be; and where those facts are unfavourable, *e. g.*, where good culturable land exceeds the cultivated area and the people are altogether backward, for the present exclude such a tract from the benefits of a permanent settlement, as has been done in two pergunnahs of the Moozuffernuggur district with the sanction of the local Government, viz., Pergunnahs Bidolee and Gordhunpore.

Finally, this so-called capability of the soil is nothing new; on the contrary, it is a very old intention, but with somewhat new flourishing titles added to it.

Question 4.—If on existing assets, then should the settlement be made on an average rate or on actual jumabundee?

Answer.—The orders of the Board of Revenue are to fix standard rent rates for four different classes of soils, or as many classes, more or less, as may be known to prevail, and to deduce revenue rates from these. To check this standard rental summary rates are useful, but this cannot be entered in the No. II. Statements. Summary or average rates are not the only means of comparison; we have leases called “rushkees” perhaps for whole villages; then again tenants cultivate a certain number of fields for a round sum without any specification of a beegah rate; this is called “bil mookhta.” The true rental is such a difficult thing to ascertain, especially where the proprietor is his own cultivator, that the more you check one form of account with another the better. Different officers have different ways of satisfying themselves of the correctness of their standard rentals. The formation of rent-rolls under Act XIV., 1863, after the revised jummas had been avowed, came in very opportunely for us; and where the marginal profit left to the landlord, after paying the Government revenue and cesses came nearly up to the moiety, which he ought to receive, I was satisfied we were not far out. If by the “actual jumabundee” is meant the Putwaree’s *nikassee* previous to settlement, I have no hesitation in declaring it to be untrustworthy. The conclusion, then, to which I arrive is that we must have prominently before us the standard rental assets entered in the prescribed No. II. Statements; but we may check these estimates by other calculations.

Question 5.—Whether the permanent settlement should not be deferred till after the completion of repairs to the Ganges Canal?

Answer.—Certainly not; let the permanent settlement be carried out, forthwith on the conditions laid down by the Supreme Government. If repairs to the canal be considered a good cause for delaying a measure of such grand importance, then why should we not wait for the extension of new rajbuhas, or wait till we see how many of the old ones will hold water, or until we can ascertain clearly whether the people prefer canal to well water, or till fifty other eventualities happen. No, it would be highly imprudent to make any such modification. The permanent settlement would be looked upon as a sham, and no one hereafter would believe in its existence.

Question 6.—Whether any amount of land revenue ought fairly to be credited to the canal.

Answer.—Yes; the Canal Department, in the annual report they submit to Government, might state that, beyond the actual revenue, the collectors of land revenue had apportioned off so much as due to the beneficial operation of this public work. The demand would appear the same as before on our touzee or rent roll, and the Canal Department would take prominent notice of it in the body of their reports, although they ought not to credit it a second time in their accounts, as it had already appeared under the head of land revenue. Some sort of arrangement of this kind is but fair, because the canal is said to yield only a nominal per-centage on the outlay, and is, therefore, a failure as a speculation; whereas, if all that it does produce towards the national wealth were to be taken into consideration, this unfavourable view of it would be much modified, and justly so.

Question 7.—If a settlement be made on existing assets, of which a portion is derivable from canal irrigation, should this portion be made separately from the assessment which may be held to be independent of canal irrigation?

Answer.—Suppose I assess an estate at half assets, at 500 rupees, and I say 300 rupees is due to ordinary, and 200 rupees to extraordinary revenue, or canal profits, what possible injury is likely to arise? None. It is affirmed that, by subdividing these sums in the engagement taken from lumberdars, the permanent revenue is affected, and a door is thrown open to litigation against Government. I fail to see the value of these objections. In the “durkhast” there will be one portion of a permanent character called ordinary, the other liable to fluctuation, should the canal be stopped; not if it be stopped for only one harvest, and timely rain should fall; but if the canal be put under repairs for a whole year, for instance, then a deduction would have to be made. Even in the portion called purely permanent, I can imagine circumstances where it would be necessary, for political

purposes, to make a temporary reduction, and yet no one would say that the standard jumma was not permanent; as to zemindars bringing actions against Government, regarding mode of assessment, the door is shut to them *in limine*.

(signed) S. N. Martin,
Collector, Moozuffernuggur.

14 January 1865.

2. I proceed to examine these objections *seriatim*. No doubt the canal is an uncertain element. It is more than probable it will be shut up for repairs. What matter if the settlement officer lays down a good scale of irrigated and unirrigated revenue rates? For the period the canal is shut up, apply the unirrigated revenue rates to the cultivated area, plus any irrigation from wells, jheels, or tanks, &c., and revert to the full jumma when the canal is again in operation. This will be called a fluctuating, not a permanent jumma. True, but the canal does not break down every year, or it would be worse than useless, and I fail to see, because I have a maximum and a minimum jumma, therefore there is no permanency. If hail, blight, and locusts should destroy all the crops of the agricultural season, if pestilence should kill all the cultivators, what becomes of the permanent jumma based on natural capabilities of soils? In a thickly populated *bhyachara* village, where the peasant proprietors have no capital, would not the jumma have to be reduced for that year, reverting to the full demand with the return of prosperity? Still the assessment would be considered permanent. It may be alleged, however, that famines, and myriads of locusts, hail-storms, and tempests, &c., cannot be classed with adversities from canal stoppages. To my apprehension, as both are abnormal conditions, an especial remedy would be found necessary in both cases; the fact of having to lower the jumma for a particular year, owing to some extraordinary event, with the certainty that the full amount of revenue will be demanded in ordinary seasons, is really not a departure from the principles of a permanent settlement.

3. Upon the next point, let it be admitted that canal irrigation will be extended; villages dry at the time of settlement will hereafter be watered. To meet these cases, his Excellency the Governor General has ordered that the price of canal water shall be raised—(see Resolution on Permanent Settlement of the North Western Provinces)—so as to put the proprietors of such estates on an equality with their neighbours. The result of raising the price of water will very possibly be to increase the rents of cultivators who pay less; for the zemindar, in the latter case, finding his neighbour's cultivators pay the same rents, and yet a higher price for the water, will betake himself to the notion that he may make up the difference by an augmentation of the land rent; still I do not think the settlement officer has anything to do with such probabilities. Nobody imagines that the rental upon which the present settlement has been based will remain stationary. The chances are that, with the increase in the population, and the ramification of railways, the opening out of new marts, &c., prices of food stuffs will rise, and with it, of course, rents; therefore, if the augmentation of the price of water in one estate has the effect of raising the cultivator's rents in a neighbouring property, it will be only one out of many causes which tend to throw more profit into the hands of the landlord, who is sure to benefit by the competition for land in one shape or other.

4. Upon the third point, I deny the assertion that, under the system of assessing upon present rentals, Government is prevented from demanding a fair price for the water. Nowhere is it stated that the water rent is fixed and invariable as a general rule; and there are exceptions to this. The price of water is a separate matter altogether from the rental, which reaches the landlord, unless it can be proved that raising the price of water immediately reduces the net rental. How can this be made an argument against the present system? If the Canal Department were to act so suicidally as to place a fictitious value upon the water, possibly, although it is hard to believe any department could be so mad, tenants might say, We would rather go without water than be taxed to this extent; but I do not think it is worth arguing so unlikely a contingency. The price of water can clearly be raised up to the cost of well irrigation, or up to the point which leaves the minimum of profit to the cultivator; beyond this no sane man would venture. The prudent owner of the water (and we must take it for granted that Government is a prudent owner of its own water supply) would keep well within this margin, with the view of being popular, and conferring the greatest benefit upon the largest number of its subjects.

5. It is alleged that the present system of account is faulty, as the canal is not credited with a fair amount of profit properly due to its beneficial operation. Seeing that with the exception of irrigation derived from wells, jheels, tanks, and rivers, the difference between a jumma got by irrigated and unirrigated revenue rates is credited to the canal, I am at a loss to understand how the account can be more nicely balanced. (See my sample in the case of canal irrigated villages in Pergunnah "Jhinjhana.") It is quite likely that canal officers may think a larger portion should be placed to their credit, and the advocates of the natural capabilities of soils, or wells *in posse* as opposed to wells *in esse*, may think sufficient allowance has not been made for the proximity of springs; nevertheless I incline to the opinion that a sufficient accuracy has been obtained, and that it is impossible to please all parties.

6. As to the fifth objection, if we have a jumma, say of 500 rupees, and it can be shown that 200 rupees is due to canal irrigation, the balance, 300 rupees, to natural capabilities, the canal is in full operation, the zemindar, of course, pays the full demand of 500 rupees; but if the canal fails for one harvest, a proportion of 200 rupees is let off; how can prop-

rietors

prietors claim compensation? In the first place civil courts are prohibited hearing suits regarding the assessment of the land revenue, that it is a matter entirely beyond their province. The civil courts can only decide between two claimants for the right to collect proprietary profits; with the grounds of assessment between landlord and Government they have no concern. The "venue" for such complaints is the revenue, not the civil court. To satisfy the scruples of my opponents I am so far prepared to admit that if it be thought necessary the engagements taken from the zemindars may be thus sub-divided:—"I, Rambuksh, zemindar, of so and so, agree to pay to Government, by such and such instalments, 500 rupees of revenue." &c., &c., &c.

Rs.

300 ordinary revenue.

200 extraordinary revenue due to canal.

TOTAL - - - Rs. 500 irrigation.

Supposing the canal to be in full play, I would not listen to any trumpery excuses that the supply of water for such and such fields fell short; the zillahdar or chowkedar spited them; a *tateel*, or closing of the Rajbuha, occurred at a most critical period, and they cannot pay the extraordinary revenue; such complaints are easily got up, and supported by the perjured witnesses. I would simply dismiss them as fraudulent, and the attempt would not be repeated.

7. The sixth and last objection is deserving of close attention, and here I join issue by stating it as my opinion that an assessment based upon natural capabilities of soil will be a great loss to Government, and that it will not be compensated by a rise in the price of water. My reasons for coming to this conclusion are these:—The natural capabilities upon which so much stress is laid mean richness of soil with water not far distant, or any other natural advantages that a certain line of country may possess. This will be shown very nearly by the *khushreh* measurements according to the proportions the richer soils "Meesun" and "Roslee" bear to the poorer soils of "Dakur" and "Bhoor;" for where wells are easiest dug, there necessarily will be a larger proportion of "Meesun," so that if the measurements have been well done, and for the sake of my argument I will assume such to be the case, the *khushreh* will of itself give a marked line between a fertile and unfertile country, then with the aid of intimate local knowledge it would not be difficult to define what are the natural capabilities; but I beg to differ from the argument that where water is 30 or 40 feet from the surface, wells few, costing 400 rupees or 500 rupees each to make, the settlement officer is to class the soil as irrigable, because he thinks the zemindar should expend capital upon the improvement of his estate. You might as well tell the proprietor to keep two or three hundred more head of cattle for the sake of the manure and turn his "Dakur" lands into "Meesun;" to get shiploads of guano from Peru and to learn agricultural chemistry how to apply the manure to the soil. The zemindar knows best whether he can afford to dig wells; he is not blind to his own interests; and if wells are easily dug, the chances are there will be plenty of kutchas wells; these fall in after a time, and others are dug in their places. India is not a newly inhabited country, nor have the people been all this time waiting to learn the advantages of digging wells. I demur altogether to any argument based upon the number of wells that ought to be made according to the idiosyncrasy of a settlement officer who never owned an inch of land, nor knows anything about the hazards attending the occupation of agriculture. We must take facts as we find them, not as we think they ought to be under what we are pleased to call better management.

8. After allowing then for irrigation from wells, jheels, and other sources, the balance resolves itself into the difference between irrigated and unirrigated rates. Suppose the jumma be 500 rupees of any single estate at half assets of present rental, under the proposed system of assessing according to natural capabilities, the jumma would probably be 300 rupees, the remaining 200 rupees to be made good by an enhancement of the water rate; but this inevitably must be attended with the gross injustice of adding to the burdens of the cultivators, and without cause reducing the demand on the zemindars who would continue to realise the full rental of 1,000 rupees and pay Government only 300 rupees. I have said before that an addition to the price of water does not affect, within certain limits, the rental that reaches the landlord, who would, by the process above explained, be a clear gainer of 200 rupees, while the labouring cultivators who already pay largely will be so much more out of pocket. Should the canal officers try to distribute this 200 rupees between landlord and tenant, he will find that it is not in his power to do so; his efforts will prove abortive, and eventually there can be little doubt the assamee will be the loser. For the sake of a very doubtful theory, is it worth while to run the risk of making the canal unpopular by allowing the canal department to put a fictitious value on water; and can a measure which sets landlord and tenant in hostile array towards each other be considered prudent?

9. In a demi-official note to the senior member of the Board of Revenue, North-Western Provinces, I said the revenue, if assessed at unirrigated rates, would probably cause a fall approaching to four lakhs. I was then on leave at Mussoorie, and had not my papers by me. I wrote from memory, and from a general idea of the great difference between assessing at half the present rental, and half the rental by unirrigated rates. Even now I cannot say positively what the fall will be, but, taking the proportion in the

* The fall in Kandla is 25,145 rupees out of 78,520 rupees; from the former deduct 3,482 rupees for wells: actual fall, 21,663 rupees.

highly irrigated pergunnah of Kandla,* as a guide, and applying this proportion to 13 out of 15 pergunnahs irrigated by canals, the fall would be 1,64,795 rupees; but then it must be remembered that in Pergunnah Kandla there are many more wells, consequently a greater set-off, on that account has been allowed, than would be the case in Pergunnahs Poor, Chupar, Moozuffernuggur, Bhookurharie, Bhooma, Jowlee, Jansuth, and Churthawul, where wells are scarcely known; therefore I think I may say, in round numbers, there would be a fall of two lakhs in the revenue, or something thereabouts. It is not known, I believe, what the fall would be in the zillahs of Meerut and Saharunpore, but doubtless it will be considerable. In Boolundshuhur it is stated to be about 85,000 rupees, or, to allow for errors of calculation, say a lakh of rupees; how is all this deficiency to be met at a time when the expenditure of the administration is annually increasing? It is not a sufficient answer to this to say, one district has raised its revenue by so much under the revision of settlement; that was done some time ago, and the increase has long ere this been absorbed in the general income of the State. I might, I think, say with more reason that if all the approaching settlements of all the temporary assessed districts in the North-Western Provinces were based upon half present rental instead of half by natural capability rate, the increase to the revenue would be very great. As to the Canal Department making good the difference by raising the water-rate, I look upon such a prospect as more than doubtful. Let Government demand a fair interest (say 10 per cent. on the outlay on canals), and this I perceive is already ordered by his Excellency the Governor General, but why forego the land revenue obtainable by the half-asset principle? It seems to me wilfully throwing away so much money.

10. I contend then that a settlement at half assets, of present rental, is the best for Government and for the tax-payers; best for Government because it ensures a proper share of the rental from land in a form the easiest collected, and because it is the least harassing to them. They have always been accustomed to pay revenue in this shape, and they would prefer this system to one which made them pay exactly the same amount, but sub-divided the dues into two departments with different names. Of course, if the zemindars thought they could possibly by any system get off paying a portion of the revised revenue, that system would be to them the best; but I take it for granted Government has no intention of wilfully sacrificing revenue, to which it is justly entitled, for the purpose of enriching landlords at the cost of the ryots, whose interests have hitherto been most jealously guarded by the Government of India. The whole difficulty of this discussion may be obviated by adhering strictly to the orders of the Board of Revenue,† *i.e.*, by assessing the Land Revenue upon present rentals, and by showing the exact amount of revenue due to canal irrigation in each estate. I am prepared to go further by entering into the engagement taken from Lumberdars the portion of the revised revenue due to natural causes, and the portion due to canal irrigation; with this clear account of their liabilities there ought to be no room for misunderstanding between the landed proprietors and Government. Whatever we do, let us not mix up in this discussion water, rent, and the interest on capital expended, with land revenue properly so called, that is the Government share of the net rental.

11. As an amendment it is proposed making natural capability rates, and another to meet canal irrigation. In what respect is this superior to the Moozuffernuggur plan of dividing pergunnahs into circles with four distinct classes of soil, with separate irrigated and unirrigated revenue rates? The capability rate, and the rate to meet canal irrigation, is nothing more nor less than well-defined irrigated and unirrigated rates, only under a different name; a distinction without a difference.

12. In the "Gazette of India," dated 31st December 1864 (*vide* Government Resolution on the canals of the North-Western Provinces, No. 6568-3825, 15th August 1864, paragraph 27), his Excellency in Council, while admitting the theory of a natural capability rate, states: "The land revenue, therefore, where now virtually composed in part of water rent, should not be reduced, &c., &c.," moreover, his Excellency has fixed high water rents for future adoption, for natural flow, 5 rupees per acre, sugar-cane, and Rs. 2. 4. for all other crops; for water raised artificially ("dal") the rate will be reduced one-third. Cultivators will then pay for sugar-cane about the following proportions:—

	Rupees.
Rent to landlord for sugar-cane, say	16 per acre.
Rent to Government for canal water	5 "
TOTAL	21

The value of an acre of sugar-cane of ordinary quality is about 80 rupees; then the expenses of cultivation, wear and tear, are very great indeed, and cane is the crop to which both zemindar and ryot look for indemnification for losses on other crops; but cane, like the rest, is liable to fail in quantity and quality. You cannot, then, add to the burdens of the ryot without breaking his back, and Government distinctly decline to reduce the revenue assessed upon present principles, the discussion consequently becomes very much narrowed. The most profitable course would be, as I have said before, to separate extraordinary from ordinary Land Revenue in the engagements taken from the Lumberdars. The scheme has already been elaborated in Moozuffernuggur with much care; if faulty, I am quite prepared to revise it in such a manner as superior authority may think most advisable,

advisable, but I cannot see any superiority in the natural capability rate, nor indeed is the proposition new to a settlement officer who knows his duty.

10 January 1865.

(signed) *S. N. Martin*,
Collector, Moozuffernuggur.

The advocates of the natural capability rate admit that, under the proposed system of disregarding present rentals and assessing as if there was no canal, there must be a fall in the revenue, although not so great as I affirm there will be. As a set-off against a sure fall, they direct our attention to a tract of country with water close to the surface; and, to fortify their opinion still further, they suppose a case of a village in this highly populated country neglecting the use of wells, while their neighbours all round are using them in abundance. To say nothing of the improbability of such a position, does it never occur to those who hold this theory that the zemindars know best whether it is worth their while to dig wells in such a low line of country? They may consider that the soil is humid enough to produce good crops without irrigation, and in that case the land would appear in our *khusrehs* as of the best and most fertile kind, and consequently the natural capability rate is nothing new; it has been applied to all settlements from the time of Mertins Bird, and we must not now be told we have got something altogether new to discuss. While discussing the merits of low lands, and the necessity of making men industrious against their previous habits, my opponents leave out of the calculation a greater part of the country which is high and dry, where water is a long way from the surface. Here they cannot say to a zemindar with a rag round his loins, "You shall and you must dig a well at a cost of 500 rupees, for we intend to rate you as if your land was irrigated." No, this would be pushing the theory too far; although an industrious Jât fraternity in the neighbourhood may have dug several wells, so resort is had to a dip in the soil where, owing to the retention of moisture, the valuable crops can be grown, as if this was a specimen of the dry tract above alluded to, it is no comparison at all. Moreover, wherever such natural fertility exists as to produce cane, cotton, tobacco, &c. &c. (and these cases are of very rare occurrence), without irrigation, such soil would always be assessed by a settlement officer at a higher rate than other kinds of unirrigated land dependent on the rains of heaven.

If it be considered reasonable to say to a landed proprietor, "There is the water under the soil, you must dig for it; I know you will do so in the course of one, five, ten, or twenty years;" why not also say to him, "I find the average proportion of the best class of soil is in the neighbourhood 30 per cent. of the cultivated area; your per-centage is only 10, I shall charge you at the rate of 30 per cent. for 'Mesun;' you can easily work up to it; all you have to do is not to burn your cowdung, to apply all the manure you can get, both of animals and men, to the soil, and you have at once the required proportion of 'Mesun,' entitling you to a permanent settlement." Once admit free scope for probabilities, and there is no limit to the suggestions that may be gratuitously preferred. If, after all these years of settlement, we are to be blind to the present position of things, there is no knowing what amount of industry we may not give certain classes of people credit for, who really have not the innate power of exerting themselves like Jâts, whose whole soul is in the work; every man, woman, and child working in the field. Of course it must not be understood that I recommend the relinquishment of revenue in extremely backward tracts, such as Pergunnahs Bedolee and Gordhunpore, of the Moozuffernuggur District, where the culturable exceeds the cultivated area; these, under the present rules, would be excluded from the Permanent Settlement, and temporarily settled for 10 years or so, as I have done in the above cases. It is not, however, about such tracts that we are called upon to confer together, but about a highly populated country occupied by the same class of people for many generations, whose habits of industry are formed, and where the culturable area is very small indeed, every available inch of ground having been dug up and utilised. Such people I would treat as I find them, not as I think they ought to be, taking care at the same time not to tax the industrious too highly, in order to save the less industrious from their proper share of State expenses.

To return again to my starting point, I find my opponents fail to make good the loss to the revenue, which they reluctantly admit must occur under any circumstances, and that the natural capability rate is nothing more nor less than the application of a principle well known to all settlement officers, and already in force; therefore, how can it be placed forward as a novel measure calculated to fill the Treasury to overflowing? What you have already calculated cannot enter into the account a second time. The only novelty in the whole discussion is, my opponents want to make a Syud, a Brahmin, and a Goojur cultivator pay as rent and revenue as a Jât cultivator; and I say the thing is impossible as opposed to what is probable. They will not take people as they find them.

(signed) *S. N. Martin*, Collector.

13 January 1865.

(A.)—PERGUNNAH JHINJHANA.

STATEMENT showing PROFITS due to the Operation of the EASTERN JUMNA CANAL.

1. No.	2. NAME OF MOUZA.	3. Area Irrigated by Canal.					4. Revenue Rate per Irrigated Acre.			
		Meesun.	Rouslee.	Dakur.	Bhoor.	TOTAL.	Meesun.	Rouslee.	Dakur.	Bhoor.
							<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>
1	Ambehta - - - -	76	279	83	-	438	} 3 12 -	} 1 8 4 $\frac{1}{2}$	} 1 8 8	} - 13 1 $\frac{1}{2}$
2	Bhatoo - - - -	46	419	26	-	491				
3	Pelka - - - -	22	176	56	-	254				
4	Peer Khera - - - -	-	-	3	-	3				
5	Pindoor - - - -	6	14	1	-	21				
6	Tana - - - -	86	181	162	-	429				
7	Tuprana, Afghanan - - -	8	157	72	-	237				
8	Tuprana, Jatan - - -	28	145	27	-	200				
9	Tuprana, Goojran - - -	-	29	6	-	35				
10	Hussunpore - - - -	2	21	2	-	25				
11	Doola Khera - - - -	188	398	65	-	651				
12	Simbhalka - - - -	22	75	7	-	104				
13	Kirarwar - - - -	56	108	20	-	184				
14	Khairkee - - - -	31	182	77	4	294				
15	Khera Bhao - - - -	35	73	39	-	147				
16	Malaindee - - - -	26	158	2	-	186				
17	Nownaglee - - - -	97	146	13	3	259				
18	Gurhee Mean, Bhaee Khan -	-	20	2	-	22				
19	Poor - - - -	8	14	2	-	24				
20	Kajhur - - - -	9	83	17	-	109				
	TOTAL - - - -	746	2,678	682	7	4,113	-	-	-	-
	(Chuk Bhytnswal.)									
1	Rahutpore - - - -	35	141	98	-	274	2 1 10	1 6 4 $\frac{1}{2}$	1 9 1	-
	(Chuk Fokhanpore.)									
1	Immamnugger - - - -	-	78	70	44	192	} 2 15 9 $\frac{1}{2}$	} 1 8 9	} 1 8 9	} 1 4 5 $\frac{1}{2}$
2	Jhinjhana - - - -	-	70	71	-	141				
3	Durgahpore - - - -	4	120	12	13	149				
4	Kuzagnugger - - - -	2	40	122	11	175				
5	Hoshungpore - - - -	-	15	10	40	94				
	TOTAL - - - -	6	358	285	102	751	-	-	-	-
	(Chuk Chowndaharee.)									
	GRAND TOTAL - - -	787	3,177	1,065	109	5,138	-	-	-	-

No.	NAME OF MOUZA.	5. Revenue on Irrigated Area.					6. Revenue Rate per Irrigated Acre.			
		Meesun.	Rouslee.	Dakur.	Bhoor.	TOTAL.	Meesun.	Rouslee.	Dakur.	Bhoor.
		<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>
1	Ambehta - - - -	285 - -	425 - -	127 15 -	-	837 15 -	} 1 - 6 $\frac{1}{2}$	} 1 - 6 $\frac{1}{2}$	} - 15 9	} - 10 2 $\frac{1}{2}$
2	Bhatoo - - - -	172 8 -	638 5 -	40 1 -	-	850 14 -				
3	Pelka - - - -	82 8 -	268 2 -	86 5 -	-	436 15 -				
4	Peer Khera - - - -	-	-	4 10 -	-	4 10 -				
5	Pindoor - - - -	22 8 -	21 5 -	1 9 -	-	45 6 -				
6	Tana - - - -	322 8 -	275 12 -	249 12 -	-	848 -				
7	Tuprana, Afghanan - - -	30 - -	239 2 -	111 - -	-	380 2 -				
8	Tuprana, Jatan - - -	105 - -	220 14 -	41 10 -	-	367 8 -				
9	Tuprana, Goojran - - -	-	44 3 -	9 4 -	-	53 7 -				
10	Hussunpore - - - -	7 8 -	32 - -	3 1 -	-	42 9 -				
11	Doola Khera - - - -	705 - -	606 5 -	100 3 -	-	1,411 8 -				
12	Simbhalka - - - -	82 8 -	113 15 -	10 13 -	-	207 4 -				
13	Kirarwar - - - -	210 - -	164 9 -	30 13 -	-	405 6 -				
14	Khairkee - - - -	116 4 -	277 4 -	118 11 -	3 5 -	515 8 -				
15	Khera Bhao - - - -	131 4 -	111 - -	60 2 -	-	302 9 -				
16	Malaindee - - - -	97 8 -	240 11 -	3 1 -	-	341 4 -				
17	Nowlaglee - - - -	363 12 -	222 7 -	20 1 -	2 7 -	608 11 -				
18	Gurhee Mean, Bhaee Khan -	-	30 8 -	3 1 -	-	33 9 -				
19	Poor - - - -	30 - -	21 5 -	3 1 -	-	54 6 -				
20	Kajhur - - - -	33 12 -	126 - -	26 - -	-	185 12 -				
	TOTAL - - - -	2,797 8 -	4,078 14 -	1,051 1 -	5 12 -	7,933 3 -	-	-	-	-
	(Chuk Bhytnswal.)									
1	Rahutpore - - - -	73 15 -	197 4 -	153 11 -	-	424 14 -	1 2 2 $\frac{1}{2}$	1 2 2 $\frac{1}{2}$	1 7 7 $\frac{1}{2}$	-
	(Chuk Fokhanpore.)									
1	Immamnugger - - - -	-	119 11 -	107 7 -	56 3 -	283 5 -	} 1 1 -	} 1 1 -	} 1 6 8 $\frac{1}{2}$	} - 12 5 $\frac{1}{2}$ and 2 chts.
2	Jhinjhana - - - -	-	107 7 -	108 15 -	-	216 6 -				
3	Durgahpore - - - -	11 15 -	184 2 -	18 7 -	16 10 -	231 2 -				
4	Kuzagnugger - - - -	6 - -	61 6 -	187 4 -	14 1 -	268 11 -				
5	Hoshungpore - - - -	-	76 12 -	15 6 -	43 7 -	135 9 -				
	TOTAL - - - -	17 15 -	549 6 -	437 7 -	130 5 -	1,135 1 -	-	-	-	-
	(Chuk Chowndaharee.)									
	GRAND TOTAL - Rs.	2,889 6 -	4,825 8 -	1,642 3 -	136 1 -	9,493 12 -	-	-	-	-

(A.)—PERGUNNAH JHINJHANA—Statement showing Profits due to the Operation of the Eastern Jumna Canal—continued.

No.	NAME OF MOUZA.	7. Revenue on Irrigated Area.					8. Difference of Revenue between irrigated and unirrigated Rates.	9. Number of Wells closed by Canals.
		Meesun.	Rouslee.	Dakur.	Bhoor.	TOTAL.		
		<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	
1	Ambehta - - - -	78 9 -	288 7 -	81 11 -	- - -	448 11 -	389 4 -	2
2	Bhatoo - - - -	47 9 -	433 3 -	25 10 -	- - -	506 6 -	344 8 -	1
3	Pelka - - - -	22 12 -	181 15 -	55 2 -	- - -	259 13 -	177 2 -	-
4	Peer Khera - - - -	- - -	- - -	2 15 -	- - -	2 15 -	1 11 -	-
5	Pindoor - - - -	6 3 -	14 8 -	1 - -	- - -	21 11 -	23 11 -	-
6	Tana - - - -	88 15 -	187 2 -	159 8 -	- - -	435 9 -	412 7 -	-
7	Tuprana, Afghanistan - - - -	8 4 -	162 5 -	70 14 -	- - -	241 7 -	138 11 -	-
8	Tuprana, Jatan - - - -	28 15 -	144 15 -	26 9 -	- - -	205 7 -	162 1 -	-
9	Tuprana, Goojran - - - -	- - -	30 - -	5 15 -	- - -	35 15 -	17 8 -	-
10	Hussunpore - - - -	2 1 -	21 11 -	2 - -	- - -	25 12 -	16 13 -	-
11	Doola, Khera - - - -	194 6 -	411 7 -	64 - -	- - -	669 13 -	741 11 -	3
12	Simbhalka - - - -	22 12 -	77 9 -	6 14 -	- - -	107 3 -	100 1 -	-
13	Kirarwar - - - -	57 14 -	111 11 -	19 11 -	- - -	189 4 -	216 2 -	1
14	Khairkee - - - -	32 1 -	188 3 -	75 13 -	2 9 -	298 10 -	216 14 -	2
15	Khera Bhao - - - -	36 3 -	75 7 -	38 6 -	- - -	150 - -	152 9 -	1
16	Malaindee - - - -	26 14 -	163 6 -	2 - -	- - -	192 4 -	149 - -	-
17	Nownaglee - - - -	100 5 -	150 15 -	12 13 -	1 15 -	266 - -	342 11 -	1
18	Gurhee Mean, Bhaee Khan - - - -	- - -	20 11 -	2 - -	- - -	22 11 -	10 14 -	-
19	Poor - - - -	8 4 -	14 8 -	2 - -	- - -	24 12 -	29 10 -	-
20	Kajhur - - - -	9 5 -	85 13 -	16 12 -	- - -	111 14 -	73 14 -	-
TOTAL - -		771 4 -	2,768 12 -	671 9 -	4 8 -	4,216 1 -	3,717 2 -	11
(Chuk Bhynswal.)								
1	Rahutpore - - - -	39 13 -	160 4 -	144 11 -	- - -	344 12 -	80 2 -	-
(Chuk Fukhanpore.)								
1	Immamnugger - - - -	- - -	82 14 -	99 6 -	34 5 -	216 9 -	66 12 -	2
2	Jhinjhana - - - -	- - -	74 6 -	100 13 -	- - -	175 3 -	41 3 -	2
3	Durgapore - - - -	4 4 -	127 8 -	17 1 -	10 2 -	158 15 -	72 3 -	2
4	Kuzaqnugger - - - -	2 2 -	42 8 -	173 4 -	8 9 -	226 7 -	42 4 -	6
5	Hoshungpore - - - -	- - -	53 2 -	14 3 -	26 8 -	93 13 -	41 12 -	-
TOTAL - -		6 6 -	380 6 -	404 11 -	79 8 -	870 15 -	264 2 -	12
(Chuk Chowndaharee.)								
GRAND TOTAL - - Rs.		167 7 -	3,309 6 -	1,220 15 -	84 - -	5,431 12 -	4,061 6 -	23

No.	NAME OF MOUZA.	10. Twenty-two Acres allowed to each Well.					11. Revenue derivable from Well Irrigation.				
		Meesun.	Rouslee.	Dakur.	Bhoor.	TOTAL.	Meesun.	Rouslee.	Dakur.	Bhoor.	TOTAL.
							<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>
1	Ambehta - - - -	8	28	8	-	44	30 - -	42 11 -	12 5 -	- - -	85 - -
2	Bhatoo - - - -	2	19	1	-	22	7 8 -	28 15 -	1 9 -	- - -	38 - -
3	Pelka - - - -	-	-	-	-	-	-	-	-	-	-
4	Peer Khera - - - -	-	-	-	-	-	-	-	-	-	-
5	Pindoor - - - -	-	-	-	-	-	-	-	-	-	-
6	Tana - - - -	-	-	-	-	-	-	-	-	-	-
7	Tuprana, Afghanistan - - - -	-	-	-	-	-	-	-	-	-	-
8	Tuprana, Jatan - - - -	-	-	-	-	-	-	-	-	-	-
9	Tuprana, Goojran - - - -	-	-	-	-	-	-	-	-	-	-
10	Hussunpore - - - -	-	-	-	-	-	-	-	-	-	-
11	Doola, Khera - - - -	19	40	7	-	66	71 4 -	60 15 -	10 13 -	- - -	143 - -
12	Simbhalka - - - -	-	-	-	-	-	-	-	-	-	-
13	Kirarwar - - - -	7	13	2	-	22	26 4 -	19 13 -	3 1 -	- - -	49 2 -
14	Khairkee - - - -	5	27	11	1	44	18 12 -	41 2 -	16 15 -	- 13 -	77 10 -
15	Khera Bhao - - - -	5	11	6	-	22	18 12 -	16 12 -	9 4 -	- - -	44 12 -
16	Malaindee - - - -	-	13	-	-	-	-	-	-	-	-
17	Nownaglee - - - -	8	-	1	-	22	30 - -	19 13 -	1 9 -	- - -	51 6 -
18	Gurhee Mean, Bhaee Khan - - - -	-	-	-	-	-	-	-	-	-	-
19	Poor - - - -	-	-	-	-	-	-	-	-	-	-
20	Kajhur - - - -	-	-	-	-	-	-	-	-	-	-
TOTAL - -		54	151	36	1	242	202 8 -	230 1 -	55 8 -	- 13 -	488 14 -
(Chuk Bhynswal.)											
1	Rahutpore - - - -	-	-	-	-	-	-	-	-	-	-
(Chuk Fukhanpore.)											
1	Immamnugger - - - -	-	18	16	10	44	- - -	27 10 -	24 8 -	12 12 -	64 14 -
2	Jhinjhana - - - -	-	22	22	-	44	- - -	33 13 -	33 13 -	- - -	67 10 -
3	Durgapore - - - -	1	35	4	4	44	3 - -	53 11 -	6 2 -	5 2 -	67 15 -
4	Kuzaqnugger - - - -	1	31	92	8	132	3 - -	47 9 -	141 3 -	10 4 -	202 - -
5	Hoshungpore - - - -	-	-	-	-	-	-	-	-	-	-
TOTAL - -		2	106	134	22	264	6 - -	162 11 -	205 10 -	28 2 -	402 7 -
(Chuk Chowndaharee.)											
GRAND TOTAL - - Rs.		56	257	170	23	506	208 8 -	392 12 -	361 2 -	28 15 -	991 5 -

(A.)—PERGUNNAH JHINJHANA—Statement showing Profits due by the Operation of the Eastern Jumna Canal—continued.

No.	NAME OF MOUZA.	12. Revenue on well irrigated Area by Dry Rates.					13. Difference of Revenue in Area irrigated by Wells.	14. Actual Profits due to Canal.	15. REMARKS.
		Meesun.	Rouslee.	Dakur.	Bhoor.	TOTAL.			
		<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	
1	Ambhta - - - -	8 4 -	28 15 -	7 14 -	- - -	45 1 -	39 15 -	349 - -	
2	Bhatoo - - - -	2 1 -	19 10 -	1 - -	- - -	22 11 -	15 5 -	329 - -	
3	Pelka - - - -	- - -	- - -	- - -	- - -	- - -	- - -	177 - -	
4	Peer Khera - - -	- - -	- - -	- - -	- - -	- - -	- - -	2 - -	
5	Pindoor - - - -	- - -	- - -	- - -	- - -	- - -	- - -	24 - -	
6	Tana - - - -	- - -	- - -	- - -	- - -	- - -	- - -	412 - -	
7	Tuprana, Afghanistan -	- - -	- - -	- - -	- - -	- - -	- - -	139 - -	
8	Tuprana, Jatan - -	- - -	- - -	- - -	- - -	- - -	- - -	162 - -	
9	Tuprana, Goojran - -	- - -	- - -	- - -	- - -	- - -	- - -	17 - -	
10	Hussunpore - - -	- - -	- - -	- - -	- - -	- - -	- - -	17 - -	
11	Doola, Kheree - -	19 10 -	41 6 -	6 14 -	- - -	67 14 -	75 2 -	667 - -	
12	Simbhalka - - -	- - -	- - -	- - -	- - -	- - -	- - -	100 - -	
13	Kirarwar - - - -	7 4 -	13 7 -	2 - -	- - -	22 11 -	26 7 -	189 - -	
14	Khairkee - - - -	5 3 -	27 15 -	10 13 -	- 10 -	44 9 -	33 1 -	184 - -	
15	Khera Bhao - - -	5 3 -	11 6 -	5 14 -	- - -	22 7 -	22 5 -	130 - -	
16	Malaindee - - - -	- - -	- - -	- - -	- - -	- - -	- - -	149 - -	
17	Nowaglee - - - -	8 4 -	13 7 -	1 - -	- - -	22 11 -	28 11 -	314 - -	
18	Gurhee Mean, Bhace Khan -	- - -	- - -	- - -	- - -	- - -	- - -	11 - -	
19	Poor - - - -	- - -	- - -	- - -	- - -	- - -	- - -	30 - -	
20	Kajhur - - - -	- - -	- - -	- - -	- - -	- - -	- - -	74 - -	
	TOTAL - - -	55 13 -	156 2 -	35 7 -	- 10 -	248 - -	240 14 -	3,476 - -	
	(Chuk Bhynswal.)	- - -	- - -	- - -	- - -	- - -	- - -	- - -	
1	Rahutpore - - - -	- - -	- - -	- - -	- - -	- - -	- - -	80 - -	
	(Chuk Fukhanpore.)	- - -	- - -	- - -	- - -	- - -	- - -	- - -	
1	Immamnugger - - -	- - -	19 2 -	22 12 -	7 13 -	49 11 -	15 3 -	52 - -	
2	Jhinjhana - - - -	- - -	23 6 -	31 2 -	- - -	54 8 -	13 2 -	28 - -	
3	Durgahpore - - -	1 1 -	37 3 -	5 11 -	3 2 -	47 1 -	20 14 -	51 - -	
4	Kuzagnugger - - -	1 1 -	32 15 -	190 10 -	6 4 -	170 14 -	31 2 -	11 - -	
5	Hoshungpore - - -	- - -	- - -	- - -	- - -	- - -	- - -	42 - -	
	TOTAL - - -	2 2 -	112 10 -	190 3 -	17 3 -	322 2 -	80 5 -	184 - -	
	(Chuk Chowndaharee.)	- - -	- - -	- - -	- - -	- - -	- - -	- - -	
	GRAND TOTAL - - Rs.	57 15 -	268 12 -	225 10 -	17 13 -	570 2 -	321 3 -	3,740 - -	*

* The revised jumma of these canal irrigated villages is 31,085 rupees.

(B.)—ABSTRACT OF STATEMENT (A).

1.	2.	3.	4.	5.	6.	7.	8.
No.	Per-gunnah.	NAME OF MOUZA.	Area Irrigated by Canal.	Difference of Revenue between Irrigated and Unirrigated Rates.	Difference of Revenue on Area Irrigated by Wells.	Actual Profits Due to Canal.	REMARKS.
				<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	
1	Jhinjhana.	Ambhta - - - -	438	389	40	349	This is the Abstract of the Statement (A.), and is as correct as can be made out. First of all there is the canal irrigated area and the difference deduced between irrigated and unirrigated revenue rates; then we come to the number of wells thrown out of use by the canal, 22 acres, comprising the various kinds of soil, being allowed for each well. The difference between irrigated and unirrigated rates is computed upon the area irrigated by wells, and this is deducted from the whole difference, the balance gives the net profits due to the canal, and is here shown in column 7. The only thing wanting in this Pergunnah, the area irrigated, is small, and therefore not a fair criterion for the other highly irrigated Pergunnahs, where the difference would be much greater.
2		Bhatoo - - - -	491	344	15	325	
3		Pelka - - - -	254	177	-	177	
4		Peer Khera - - -	3	2	-	2	
5		Pindoor - - - -	21	24	-	24	
6		Tana - - - -	429	412	-	412	
7		Tuprana, Afghana -	237	139	-	139	
8		Tuprana, Jatan - -	200	162	-	162	
9		Tuprana, Goojran -	35	17	-	17	
10		Hussunpore - - -	25	17	-	17	
11		Doola, Kheree - -	651	742	75	667	
12		Simbhalka - - -	104	100	-	100	
13		Kirarwar - - - -	184	216	27	189	
14		Khairkee - - - -	294	217	33	184	
15		Khera Bhao - - -	147	152	22	130	
16		Malaindee - - - -	186	149	-	149	
17		Nowaglee - - - -	259	343	29	314	
18		Gurhee Mean, Bhace Khan -	22	11	-	11	
19		Poor - - - -	24	30	-	30	
20		Kajhur - - - -	109	74	-	74	
		TOTAL - - -	4,113	3,717	241	476	
		(Chuk Bhynswal.)	- - -	- - -	- - -	- - -	
1		Rahutpore - - - -	274	80	-	80	
		(Chuk Fukhanpore.)	- - -	- - -	- - -	- - -	
1		Immamnugger - - -	192	67	15	52	
2		Jhinjhana - - - -	141	41	13	28	
3		Durgahpore - - -	149	72	21	51	
4		Kuzagnugger - - -	175	42	31	11	
5		Hoshungpore - - -	94	42	-	42	
		TOTAL - - -	711	264	80	184	
		(Chuk Chowndaharee.)	- - -	- - -	- - -	- - -	
		GRAND TOTAL - Rs.	3,138	4,061	321	3,740	

S. N. Martin, Collector.

QUESTIONS and REPLIES, by Mr. Batten.

Question 1.—How far does canal water rate affect the rent of the landlord?

Answer.—At present there is not much information before me on this point. My experience as Judge of Mynpoory, &c., showed me that landlords do occasionally, in regard to canal irrigation, enjoyed or enjoyable by their cultivators, act on the rent increment clauses of Act X., 1859, especially new auction purchasers. It may be expected that, as the law becomes better known, land rents will be raised on account of the canal water; but if the water rent taken by the canal officers is increased according to the Governor General's rates, the cultivators will not submit to any *general* arbitrary raising of the land rent (such as sometimes has occurred at Etawah, &c.), but will only pay what is usual for irrigated crops, after deducting costs of irrigation, as ruled by the precedent decision of Sudder Dewanny Adawlut, North Western Provinces, No. 146*, dated 1st April 1863. On the whole, I should say there will be a gradual general raising of land rent, owing to canal irrigation, but I cannot say (as I have no experience) *how far* the water rate paid by the recipient of the canal water will affect the amount. Whatever the amount of increase will be, it will, under Mr. Currie's scheme, all go *gratis* into the pocket of the landholders. The incidence of water rate on the profits in pure *bhyachara* villages (where for the most part the landlord and cultivator are one and the same party) is a *desideratum* in facts, and I cannot give my opinion thereon. * Kunojee Lall versus Rutun Lall.

Question 2.—Whether, in assessing land for the permanent settlement, it is incumbent on Government to assess irrespective of canal irrigation, or on existing assets?

Answer.—I do not think it is incumbent to assess irrespective of canal irrigation, nor would the people generally appreciate such a mode of assessment. Mr. Muir's demi-official letter (4th May 1864), read out to the meeting by Mr. R. Money, embodies my own views on the subject. More or less, I would treat the uncertainty of supply, that is, the benefit from canal water, or the possible loss of benefit from its stoppage or diminution, &c., as I would treat seasonal gains and losses, good and bad rains, supply and failure of manure, &c. We cannot, I think, trust settlement officers to lay down distinctly that so much assets are *solely* due to the canal. I think that there will be a great danger of tampering with the land revenue on theoretical grounds, or on guess-work.

I myself would not contemplate the uncertainty of the canal's beneficial and utilised existence for a series of coming years; whatever the present state of affairs may be, engineering skill will increase, not decrease, and the Himalayan sources of the Ganges are a *constant*. I would also assume, as a general rule, that well irrigation could be restored or substituted. I see no provision in Mr. Currie's scheme for the financial remedy of a refusal of the people to take canal water either on account of its dearness, or from a trust on Providence and the rains, or from a restoration of wells. It may be owing to Revenue Circular Orders and forms of settlement, that the Meerut Division settlement officers are taking such exact account of the canal. If this is the case, the forms might be altered with advantage in the central Doab Settlements. After all, the canal villages at present form but a limited section of the whole Doab.

Question 3.—If the former, then on dry rates, or on the general capability of the soil?

Answer.—With reference to the last reply, I need not answer this; but I would say, certainly not on dry rates.

Question 4.—If the settlement is made on existing assets, then should it be made on average rates, or on the actual jummabundee?

Answer.—I would say, do as all the best settlement officers did at the last settlement; lay down no very strict rule on this point after all. The half-assets system of revenue assessment is not based on any very exact data. My own opinion is in favour of average rates, but good jummabundees are sometimes procurable, especially where there has been much civil court litigation, and both parties in a village have had to produce accounts, and the Courts have had to decide on the actual *nikasee*. I was glad to hear Mr. Martin speak so well of Mr. Thornton's settlements.

Question 5.—Ought the permanent settlement in the districts (subject to the action) of the Ganges Canal to be deferred until the completion of its repairs?

Answer.—I should say *not* if general Imperial considerations necessitate, otherwise a permanent settlement. It would be dangerous to the revenue to defer such a settlement on account of any specific and quotable cause. Temporary arrangements would have to be made during the repairs. Under Mr. Currie's plan, it strikes me that the *whole* of the assumed canal revenue separated from that calculated on the general capabilities would be lost to Government during the stoppage. I leave the answer on this point, however, to parties who have experience of the canal, which I have not.

Question 6.—Whether any portion of land revenue should be fairly credited to the canal?

Answer.—The department in charge of the canal should be so credited in general terms in all reports on the fiscal out-turn of the work; but I dread figures. The work is an Imperial one, to prevent or modify famines. It is not capital laid out for a specific percentage return in money. A specification of the money credit mixed up in the land

revenue would, I think, be dangerous to the revenue, and incompatible with the theory of a permanent settlement.

Question 7.—If a settlement be made on existent assets, partially derivable from canal irrigation, should the assessment on this portion be made separately from the assessment on the assets which may be held to be independent of canal irrigation?

Answer.—I think it ought *not*. There would be difficulties in fixing the amounts; and I would not trust all the young settlement officers to fix them. It would be dangerous to the revenue to stereotype in figures the exact quantity of the uncertain element. The people would be told the amount of assets *held* to be independent of canal irrigation; and in case of a calamity to the canal they would consider themselves entitled to a remission of the *whole* remainder.

Supplemental Question 8.—What would happen if the Government sold the canal to a company?

Answer.—I trust no such measure will ever occur in a country like India. The complications which would arise would, I think, be very great: and the people would not like or understand the separation of Government (which, be it remembered, is also landlord) from such an Imperial work as the canal. But if such a measure is considered expedient at any time, the Government will be relieved of one great difficulty if there are no figures standing on record to show how much of the land revenue is due to the canal.

The company would simply buy the work on a calculation of the derived and derivable water rates for cultivation, and the profits obtainable from possessing the monopoly of a navigable stream.

Agra, 14 January 1865.

(signed) J. H. Batten, Commissioner.

EIGHT QUESTIONS regarding CANAL IRRIGATION in its relation to the PERMANENT SETTLEMENT.

REPLIES by Mr. A. O. Hume, Collector of Etawah.

Question 1.—How far does canal water rent practically affect the rent of land?

Reply.—The whole produce of the land where canal irrigation exists comprises—

1st. The cultivator's own share (wages and profits).

2nd. The landlord's share (rent).

3rd. The canal share (water rent).

Now, the first item is not at present susceptible here of any great *permanent* variation; if it be much diminished, the cultivator starves or abandons his holding; if largely increased, competition, in these provinces at least, usually soon enables the landlord to absorb a portion of it. Liable as it is to great temporary variations and to gradual progress as prices rise and civilisation advances, practically we may, to simplify the question, consider the cultivator's share as a constant. It will be objected that this is only approximately true as regards even money rent, and that where rents are paid either in kind (*battaee*) or in money, the amount of which bears a fixed proportion (*kunkoot*) to the estimated value of the crop, it necessarily follows that, if by canal irrigation the crop doubles, the cultivator's share doubles, and so on. Now, in the first place, *kunkoot* and *battaee* rents form but a very small and *daily diminishing* portion of the total rents of these provinces; and, in the second place, the canal rent has to be deducted out of the cultivator's share.* If such deduction does not leave him as much as he before had enjoyed (which may here be taken as a subsistence minimum), he will give up either his land or canal water; while, if it leaves him a larger profit than before, and considerably more than is needful for his subsistence, the landlord will practically, generally, manage in the long run to absorb most of the excess. Taking, then, the cultivator's share as approximately constant, there remain two variables, the land and water rents; and as the total produce does not vary as regards them, and is *quoad* them constant, it is obvious that the water rent and land rent are complementary to each other, and that there is a strong tendency for anything added to the one to be taken from the other. This principle explains *how* it is that canal water rents affect the land rent; the question of *how far* they affect it will have to be answered differently, accordingly as it is construed to refer generally to *all* rates of water rent in all times, or as having reference only to the existing water rent in the present state of affairs. If the latter be intended, it may be stated that, at present, water rent is so low and forms such an insignificant per-centage on the gross total value of the land produce that it has *not* generally materially affected the land rent. On the other hand, as a general question, water rent will in the *long run* prove one very important check on the development of land rents, and tend materially to determine the amount of their increase. Although, however, it does, this water rent can never so far affect land rent as to reduce it below its nominal amount, *i. e.*, that amount which it would have reached independently of the canal, either with the aid of irrigation derived from sources other than the canal, or when no such irrigation is possible on dry cultivation. Directly that limit is reached, the use of canal water will be discontinued, and either well irrigation or dry cultivation be resorted to. Thus, if the land rent obtainable on any field without irrigation (where no natural irrigation is practicable) be six rupees, and the extra profits due to the use of canal irrigation be four rupees; so long as the water

rates

* This is the rule, but in Moozuffer-nuggur the landlord bears his share of the water rent.

rates are fully covered by these four rupees, and in no way trench upon the six rupees heretofore paid, the cultivator *may* continue to use canal water, but the moment the rates so rise as to leave him only five-eighths rupees instead of six rupees to pay to his landlord, the latter will insist on his giving up canal irrigation, and if he refuses will oust him and let his land to some one who will revert to the old dry cultivation. Similarly, if the land rent obtainable on any field where natural irrigation (from tanks, wells, and the like) is available, be 10 rupees, and the actual extra net profits due to canal irrigation, when this is substituted for natural irrigation, be five rupees. So long as these five rupees fully cover the demand for water rent, the use of canal water may continue; but, as before, the moment the canal demand exceeds (or in *practice* at all nearly equals) the extra profits, the cultivator will be compelled to revert to the old natural irrigation.

Incidentally it should be noticed, that it follows from this that the higher the water rates are raised the more the use of the water will be confined to those localities where irrigation from other sources is most difficult. In Saharunpore, where water is close to the surface, and well irrigation easy and cheap, the *extra* profits due to canal irrigation may not exceed a couple of rupees an acre; while in parts of the Lower Doab, as in Etawah, where other irrigation is extremely difficult and expensive, the extra profits may be from 10 to 20 rupees an acre. Hence if our water rates be 10 rupees an acre, we prevent anyone using the canal water who can easily get water elsewhere, while we reserve all the water we have for those who most require it. This is a most important consideration deserving examination in all its bearings, and I shall revert to it in subsequent replies.

To return now to the practical effects that water rents have as yet had on land rent.

These, of course, vary locally. In many places, as in Etawah, rents have not yet been raised by the landlords on account of the increased profits; no distinction exists with us between what in the first division are called wet and dry rates. Heretofore in this district a fixed money rent has been paid for fields or groups of fields, irrespective of crop and irrigation. Hence, with some rare exceptions in which the provisions of Act X. have been had recourse to, the whole surplus profits due to canal irrigation are still absorbed by the cultivator. In such cases, manifestly at present, no changes in water rent in any way affect land rent. But this is only a temporary suspension of the general law. Sooner or later the landlords will sue under the provisions of Act X. of 1859 for enhanced land rent; that is to say, will demand that share of the extra profits of the cultivator to which by law they are entitled. As soon as this occurs, the general law at once comes into operation, and the water rent will begin to affect the land rent; *for*, on the amount of the water rent will depend the amount of the cultivator's extra profits, and on these latter the amount of enhanced rent to which the zemindar is entitled. Thus, if the value of the gross produce, *without* canal irrigation, be 10 rupees (of which the cultivator keeps five rupees as wages and profits, and pays five rupees as rent), and if the value of the gross produce, *with* canal irrigation, be 20 rupees, after deducting the cultivator's share (which, as above explained, seems practically to be almost a constant), 15 rupees remain to divide between landlord and canal. The canal share can never exceed 10 rupees; can never, as above explained, reduce the zemindar's share below five rupees, viz., what it previously *was*, and what it might again become, *independent* of the canal, but below 10 rupees, it may be anything; and by so much as it falls short of 10 rupees, will the landlord's rent receive five rupees; and hence on the amount of the water rent will, within the limits above noticed, depend the amount of the land rent. I note, that even should the cultivator's share *be* increased, which, in process of time we hope may be the case, the argument is unaffected; we still have a fixed residue to divide between canal and landowner, and therefore, within certain specified limits, on the amount of the former depends the amount of the latter. If in any part of the country, as we are told is the case in Moozuffernuggur, rents have been already enhanced beyond the limit at which they could have been maintained, independent of canal irrigation; then, as the water rent is raised to the highest amount that can be profitably paid in places where land rents have *not* been so enhanced, the pressure of the water rent *will* have a tendency to reduce such enhanced rents to the normal limit. Thus, taking our former illustration of the field of which the gross produce, without canal irrigation, was 10 rupees, and with it 20 rupees, and in which the landlord and cultivator each took five rupees in the former case; in the latter, if water rent was only three rupees, and the landlord *had* raised his rents, the 20 rupees would, probably, be somewhat thus divided :—

[illegible]

Now it is clear, 1st, that in the Doab the demand for canal water is much greater than the supply; and 2nd, that where (as at present is the rule) landlords have not raised their rents above the limit maintainable, independent of canal irrigation, *i. e.*, in the present example above five rupees, other cultivators could well afford to pay a higher rate, say eight rupees for the canal water. In due course of competition, water rent would rise to eight rupees, and then as the cultivator cannot live on less than five rupees, either the

that he cannot promise a certainty of supply. Every engineer knows that the Ganges canal, by its magnitude, involved for solution problems (especially relating to the velocity of the water) which, although dogmatised on by Colonel Cotton, can really only be, though roughly, solved by a lengthened experience. The time *may* come when the Ganges canal water supply will be, comparatively speaking, a reliably constant item; but at present neither the head of the department, nor any other practical engineer, will venture to predicate how long that "good time" may be "coming." It has been argued that uncertainty is the essence of all mundane affairs; that there is an uncertainty of seasons, of prices, &c., which form an equal difficulty in the case of the permanent settlement. But this argument has really no weight in the long run; seasons and prices are not a matter of uncertainty; good and bad, high and low, balance each other, and the experience of the past enables us to strike an approximately correct average for the future. Such, however, is not the case in the matter of the Ganges canal; no one has the slightest idea what proportion or extent of failures we may anticipate. Moreover, in the case of the canal, the variation is inconceivably greater in degree than in the case of the seasons and prices; while lastly, as so forcibly urged by Mr. Wynne, even supposing (which is not a fact) that canal irrigation, prices, and seasons, were all *similar* uncertainties, surely in making a permanent settlement our object should be to exclude as many grounds of uncertainty as *possible*. Now, the uncertainty caused by seasons and prices we cannot exclude, but we can make a fair allowance for it; on the other hand, we can exclude the uncertainty caused by canal failures and stoppages, though we cannot estimate its amount, even approximately, before-hand. Why include in what we profess to call permanent, and hope to maintain as such, an element of variation that we *can* avoid, and of the probable extent of which we are ignorant?

But supposing even that, after some 50 years of further experience, we *could* guarantee the supply of water, say 5,000 cubic feet per second, winter and summer, even then another cause of uncertainty remains to be discussed—this is the uncertainty of distribution. Day by day we see that the distribution varies according to engineering requirements; one year water is run in this Rajbaha, another in that, villages that formerly enjoyed the advantages of irrigation *now* cannot get any water; a large proportion of the old Rajbahas are abandoned for improved lines. Mr. Currie mentioned that he found villages in Boolundshuhur, settled by Mr. Freeling on assets which included extra profits from canal irrigation, which villages had never since the settlement obtained one drop of canal water, the Rajbaha that supplied them formerly having been given up by the canal officers. This change is *going on everywhere*, and will and must continue until the development of irrigation is complete, and the distribution of the water has been finally adjusted by the inexorable laws of supply and demand. And here I note a most important matter, which I shall further discuss under the head of financial loss, viz., that if you do *not* settle, irrespective of canal irrigation, you fetter your future progress, and virtually bind yourself down to conditions which you may find it highly inexpedient or impossible to perform; virtually if you include, in calculating your jumma, the extra profits derivable from canal irrigation, you do tacitly bind yourself in all honour to continue to provide that canal irrigation. Now setting aside the fact that you may, as explained under the head of uncertainty of supply, often find it impossible temporarily to provide the water (and therefore be continually compelled to remit a portion of the jumma), you may often find it absolutely necessary to *alter* the distribution and *permanently* withdraw the supply from a given locality. Bear in mind, please, that, with the most perfect arrangements, our Ganges canal, after all repairs, can at the outside not irrigate more than one and-a-half million acres, while on the other hand, the malgozaree area of the districts it traverses is about ten millions. Now it is clear that, as time advances, we shall say to Saharunpore and other districts where water is close to the surface, well irrigation cheap, the extra profits derived from the canal small, and people therefore only able to pay low rates for their water:—"Revert to your well irrigation, we have not enough water for all, and therefore what we have must be given to those who require it most, who, having 'no facilities' for natural irrigation, can afford to pay more highly for the 'artificial;'" not only engineering requirements, but also political necessity, will render the distribution of the water uncertain; whereas, practically, unless you assess irrespective of canal irrigation, you do bind yourself in honour either to alter your demand whenever (which would be yearly) you have to vary the distribution, or to maintain both distribution and supply unchanged. Both of these latter, as shown above, will and must vary beyond all power of previous calculation; but even if for argument's sake, we admit the possibility of treating either supply or distribution as practically constants, there still remains a third and most important element of uncertainty in estimating irrigation assets which cannot be neglected. I refer to the uncertainty of results.

Already it has been apparent that we cannot look for a *continuance* of those great profits from canal irrigation that attend its first introduction. Already in numerous places, Mr. Currie informs me, along the Kalee or Kaleenduree Nuddee, which is used as an escape, the use for several successive years of canal water has injured the productive powers of the soil, the out-turn of which is now, I understand him to say, far less than it was when I knew the ground before the canal opened. In this district it seems clear that no land is able to bear the drain of canal irrigated wheat and barley for three successive years. The first year's crop is enormous, the second generally good, the third stunted and poor. Without entering on the ground in dispute between Liebeg and his refuters, it will generally be admitted that there is a chemical limit to agricultural produce; much of their nutriment as plants absorb from the atmosphere, there is much also that they absorb from the

soil. Practical experience alone enables us to determine what rotation of crops, and what succession of irrigation and non-irrigation will, *as a continuance*, extract the most produce from the soil; at present we know nothing of this. The effects of canal and well irrigation are manifestly different (though why we cannot fully explain at present). Canal irrigation agriculture is here as yet in its infancy; we positively know nothing of what the results of even 20 years' canal irrigation will be; we do not know whether, as a continuance, lands will bear irrigating yearly, every other year, every third year; we do not know what rotation of crops will prove necessary, whether the most valuable can be grown every year, or every third or fourth only; we do not know at all what the produce per acre due to canal irrigation of any one crop may be after that irrigation has been in use for several years; and, under such circumstances, how preposterous it seems to talk of assessing a permanent Government demand on extra profits derived from canal irrigation, when we have not the *slightest* knowledge of what those extra profits may be.

Now it seems to me impossible for any one who will reflect impartially on the above not to admit that no jumma, which had for one of its most important component parts so totally indeterminate an item as this so-called extra profits due to canal irrigation, could possibly be permanent when we never can count with reasonable certainty in getting an *uninterrupted* supply of water, when we never can be sure how engineering, political, and financial necessities may force us to vary the distribution of the water, and when, lastly, we never can predicate what the results of a continued use of that water will be; it appears to me out of the question to permit this uncertainty of uncertainties to enter into and mar, as mar it would, so grand and desirable a measure as the permanent settlement. The fact is that such extreme liability to variation is incompatible with a permanent settlement, and if, notwithstanding this, you insist on making such, the most inequitable results must follow.

In a permanent settlement the demand cannot be yearly reduced or remitted, and yet yearly numbers of people, and at times the whole community, would lose those very profits on which the Government demand, due from them, had been assessed. How utterly unjust to insist on your demand, how impossible, in many cases, to realise; and yet if you do not assess the permanent demand irrespective of canal irrigation, you must be guilty of this injustice; you must face this impossibility, or stultifying yourself and the great measure you profess to inaugurate, make your "Permanent Settlement" liable to yearly and uncertain fluctuations. But * there is a still more strikingly inequitable feature involved in the proposition to assess on canal profits. One-tenth of the villages only have as yet taken canal water, and these you are going to assess on canal profits; the other villages who have not as yet taken water will, therefore, get off with a far lighter jumma. As soon as the settlement is concluded, these, too, will, many of them, have recourse to irrigation, and you will then have exactly similar neighbouring villages both permanently assessed, the one on half assets, the other on possibly quarter assets. What have the unfortunate one-tenth done that they should pay so much more heavily than their neighbours? What can be more inequitable than to impose upon one set a burden from which you absolve the other? I am aware that it has been proposed to counteract this inequality by differential water-rates, making land not assessed at the permanent settlement, as under canal irrigation, pay a higher water rent than land so assessed; but plausible as this device appears in theory, all practical officers in these provinces agree that this scheme is hopelessly impracticable. You would have not only lands in adjoining villages, but lands in the same village paying different water rates, and thus a door opened to almost indefinite extortion and corruption on the part of the subordinate canal or revenue establishments. Moreover, as the particular lands irrigated each year vary from year to year, it would be impossible to ascertain or decide which should pay the one and which the other rate. It will be contended that, if in any village, at settlement, 600 acres were irrigated, and in a future year 659 were found irrigated, the higher rate should be charged on 59; agreed, but which 59? After an elaborate judicial inquiry (necessary every year in every village), you will find that out of the 600 acres irrigated at settlement only perhaps 300 are still irrigated, 300 of those which were irrigated at settlement having gone under dry cultivation, and 359 then dry having been brought under irrigation. How is it possible to decide equitably *which* 59 out of the 359 are to pay a double water rate, and which particular cultivator (paying of course the same rent as his fellows, and this is a practice unavoidable) is to pay double rates on his land? Conceive only the endless confusion and litigation to which this proposal would lead. Practically, the thing is impossible, and hence a settlement on existing assets, where these include canal profits, involves this inequitable feature; that whereas villages into which canal irrigation was introduced *before* a certain date are fully assessed in the supposed profits of the same, others, into which the same was introduced a week or two later, are only assessed in their normal profits, independent of canal irrigation; and it will follow that in two neighbouring villages in which the rent-rolls, without canal irrigation, were, say, 1,000 rupees, and with canal irrigation, 1,500 rupees, the one will pay 500 rupees, and the other 750 rupees to Government, and this not exceptionally for one or two years, but for all time. Turn now to the financial *loss* that the inclusion of these profits

* This argument is not original, it was suggested to me by a remark of Mr. Drummond's; it seems to me unanswerable.

fits will occasion. Messrs. Muir and others have founded their advocacy of this objectionable measure on the supposition that the alternative measure would injure the Government revenue. Never was there, I believe, so thorough a misapprehension of the real facts; so far from the exclusion diminishing the ultimate profits of Government from the Ganges Canal, it will multiply indefinitely the petty profits (in one district, for instance, Boolundshuhur, estimated by Mr. Currie at 36,000 rupees) derivable on the inclusion system.

As matters now stand, there are, say, 200,000 acres irrigated from the canal; say, roughly (as the argument will be most intelligible in a figured shape), that the extra profits per acre (where canal rents are three rupees per acre) are six rupees; of this you include four rupees, viz., the zemindar's share, as assets, and on it assess a permanent jumma of two rupees; at first sight then you gain 4,00,000 rupees by including the extra profits of canal irrigation in settlement assets. But what do you lose? As time goes on, one million more acres will come under irrigation; on these, as above shown, it is impracticable to charge a different water-rate. You cannot fairly raise the rates at all; but if you do you must raise them for all. Under all circumstances, whether you do or do not raise* the rates, the cultivators of the million acres *could* afford (though, as above explained, differential rates are impossible in practice) to pay you at least three rupees per acre more water-rent than the 200,000 can who have to pay four rupees extra rent (which four rupees, as it forms part of the assets of the permanent settlement, they sue to reduce); so that, by the exclusion system, while for the moment we lose 4,00,000 rupees, we should, by the inclusion, ultimately lose three rupees per acre on the whole 1,200,000 acres of irrigation, or nine times 4,00,000 rupees. It should be clearly understood what, in a financial point of view, we do when we admit the extra profits derived from canal irrigation as assets on which to base a permanent assessment. Let us suppose that in any field, after paying all his expenses, and retaining what according to the custom of the neighbourhood may be his fair share of the total profits, there remain to the cultivator, over and above the usual amount of rent, 10 rupees, special extra profits, due to canal irrigation. If now we assume these 10 rupees as assets, as they are doing in Moozuffernuggur (raising rents as soon as the new jumma has been *declared* under the provisions of Act XIV. of 1863), we can at most get only five rupees of it. But if we ignore it at settlement, we can practically get at least eight rupees of it by increasing the water-rate; for even then the landlord will be able to get two rupees more than he could if canal irrigation were not resorted to, and the tenant will be enjoying, as above supposed, his full share of the total profits. Thus, in grasping at the half of the net profits on the 200,000 acres, you will lose what might be at least three-fourths of the profits on the whole 1,200,000. To return now to what we formerly said about distribution. In my letter, No. 16, of the 9th of January 1865, to the address of the Secretary to Government in the Public Works Department, I brought prominently forward the importance, in a financial point of view, of a judicious distribution of water. As I said before, if you now assess inclusive of these canal profits, you will hereafter almost entirely deprive yourself of the power not only of raising the rates, but also of altering the distribution. You cannot assess on these profits, and then withdraw their source, without reducing your demand; and re-adjustment of a permanent settlement, whenever you alter the distribution, would be endless, and would, in fact, nullify the whole scheme. I am aware that individual officers have been found to enunciate the astounding doctrine that Government might settle on these profits, and yet, though it withdrew or was unable to provide the supply of water on which they depend, still decline to reduce its demand, in other words, falsify itself in the face of the world, and pretend to assess a jumma on half assets, knowing well that when the settlement was concluded it was likely by its own acts or omissions to reduce those assets on which its demand was calculated, and so, in fact, render that demand, which it pretended to call only a half, much more than a half of the joint property. This is a proceeding which would ruin the credit of any Government, or any house of business. Whatever other Governments might do, our Governments are incapable of this, and therefore, as I said before, unless you assess irrespective of canal irrigation, either your settlement ceases to have any pretence to permanence, or you virtually deprive yourself of all discretion as to the future distribution of the water.

Now this question of distribution is even more important financially than it is in an engineering or political point of view. Admitting that the necessity of preventing famines, &c. may lead to some practical modifications in particular cases, and that certain minor reservations are needful, the broad principle which should govern the financial administration of the canal is, as I have shown in my above referred to letter, "*raise water-rates to the highest limits compatible with the permanent consumption of the whole stock.*" The Government, on behalf of the whole community, has expended a vast amount of public

* You cannot, it should be noticed, fairly raise your water rate at all after the permanent settlement is once concluded, since half assets at which you pledge yourself to settle at one water rate will be no longer half assets at another. If the extra profits per acre payable as rent are four rupees when water rate is three rupees, and you settle on such profits at two rupees, or half assets, you cannot, without a gross breach of faith, raise those rates. For, say you raised the rates to five rupees, then the extra profits payable per acre as rent would only be two rupees, the whole of which (and not the half, as you have professed) will be absorbed by your demand; or even say you do raise it a trifle, you cannot so raise it that the cultivators of the 200,000 are not still able to pay the four rupees per acre (on which your assessment is founded) as rent.

public money for the benefit of only one small section of that public, and is bound to obtain the largest possible return on that outlay consistent with equity and good conscience. The canal must be treated as a commercial enterprise, and managed on the broad principle of buying in the cheapest and selling in the dearest market. The Government will, as it were, buy its water in the cheapest market by reducing the expenses of canal management as low as possible, and it will sell in the dearest by distributing its water where water is scarcest, and therefore most valuable. How important this is is apparent when we remember that roughly there are 10,000,000 acres of cultivated or culturable land within the sphere of the canal, while that canal can *never*, it is believed, at the *outside*, irrigate more than one-and-a-half millions. Amongst these 10,000,000 will be found one-and-a-half million acres in which the cultivators cannot afford to pay more, on the average, than one or two rupees per acre, while another million and-a-half might be picked out where it would pay the people to take water at 10 rupees per acre. Lacks of rupees have, as it is, been wasted in giving water to villages in Saharunpore and elsewhere, where water is so near the surface that people, comparatively speaking, care little for the advantage, and cannot, therefore, afford to pay much for it, which, if more judiciously laid out, would have given water to localities where it is priceless, and where it would have been remunerative to cultivators to pay twice and three times as much for it as those can who now enjoy it. Nothing can be more important than this question of reserving the right to distribute the water hereafter as we find most necessary; but I have dwelt on it so fully in my letter (No. 16, 9th January 1865), that I shall press the point no further here.

As regards the fourth class of argument, which relates to the administrative inconvenience of including the canal profits, I would refer you to the same letter. Suffice it here to say, that in my opinion Government cannot permanently continue to usurp the legitimate field for private enterprise; that sooner or later the canal must pass into private hands, and that such transfer (so desirable in every point of view) will be greatly retarded and infinitely complicated if canal profits, or, more broadly, water revenue, be not from the first kept distinct from land revenue. As regards canal administration, too, financial efficiency can never be hoped for so long as the real profits resulting from the canal are ill defined, and the greater portion of them "muddled up" with land revenue. Water revenue and land revenue are distinct, and nothing but confusion and a loss of administrative efficiency can result from calling things by their wrong names, and including in one what is really the other.

I have now shown the insuperable disadvantages attendant in including profits from canal irrigation in the assets on which we calculate our permanent jumma; still Mr. Muir, I feel sure, will argue that, raise water-rates as high as you will, there must still remain some surplus profits to the cultivator, or he would not use the water; that of this surplus three-fifths must be considered as the zemindar's share, and included in the assets on which the Government demand is assessed; that thus, by the plan I advocate, the Government will lose one-half of this three-fifths or three-tenths of the surplus profits. This I admit; you do lose the three-tenths of the surplus profits on the 200,000 acres, but *per contra*, you will gain from one-half to two-thirds of the surplus profits on the whole 1,200,000 acres, and you insure that the 120,000 acres, whose surplus profits you thus share, shall be those particular acres out of the whole 10,000,000 whose surplus profits will be largest. You lose about four lakhs per annum now; but, unfettered as regards the future price and distribution of water, you will gain hereafter at least 36 lakhs per annum that would otherwise be lost. We lose, in fact, the shadow; let it go; but we firmly grasp the substance, financial success, and independence of action.

Question 3.—If the assessment be made irrespective of canal irrigation, should it be made on dry rates, or on the supposed capabilities of the soil, or how?

Reply.—The assessment should be made precisely as if no canal existed on what (though I hardly like the term) has been denominated the "natural capability rate," as every practical settlement officer well knows assessments are not made merely on the rent roll of a village. Its lands are classified; its natural facilities for irrigation considered. It is compared with all similarly situated mehals in the pergunnah or tract; and from all combined, average rates for each class of soil under each of three or four different conditions are deduced. From these average rates a rough jumma is worked out, and *then* all individual or exceptional peculiarities of the mehal, which ought legitimately to affect the average rates, are one by one taken into consideration. It is not so much on the actual rent roll (though this is a most valuable standard for constant reference, every deviation from which we must be able fully to explain) as on what that rent roll ought fairly to be, that an intelligent settlement officer finally fixes the Government demand. There is nothing whatsoever in the introduction of canal irrigation to prevent our following out this course, just as if the canal did not exist. Half a dozen different methods, as Mr. Wynne has so fully pointed out, present themselves to the settlement officer, by one or all of which he can clearly ascertain what the mehal was, or ought fairly to have been, and might and ought to be again independent of the canal. It is not on the *supposed* capabilities of the soil that we should assess, but on the *actual* capabilities which are fully as accurately ascertainable, where the canal *has* been introduced as where it has not. True, the canal may have caused the disappearance of most of the wells, but this does not affect the question; we can generally find out how many there used to be, and what they irrigated; we can always find out how many there are, and what extent they irrigate in other similar villages where the canal has not been introduced; and we can always ascertain

what

what in that locality, with reference to natural facilities and class of soil, the irrigated area might reasonably be expected to be, independent of the canal. Be it remembered, that the mere fact of the absence of wells, whether canal irrigation have or have not been introduced, is no ground for assessing the village on dry rates. If water is near the surface, the people are just as much bound to dig wells and use water as they are to plough and sow. The fact of no wells existing in such circumstances would *lead us to suspect* some concealed difficulties or peculiarities of soil or water which act as bars to irrigation; but if on investigation we found that nothing of the kind was the case, and that the absence of wells was solely due to apathy and indolence, we should assess, not on the actual dry rate of the village itself, but upon the rates that ought and might obtain there, and do obtain in other similar neighbouring villages. Let it not be imagined that this throws open the door to individual caprice, or, as one officer suggested, will permit an officer who considers that fields "*ought fairly*" to contain a well each, and to be manured every year, to assess as if they *were* thus favoured. This is totally wrong; nothing is left to individual caprice; the assessment is made on rates which the experience of the whole neighbourhood *proves* may be fairly expected, subject to any such modifications as the individual peculiarities of the mehal prove to be equitable. A large discretion must be left to every settlement officer, and no larger discretion is left where the assessment is made irrespective of canal irrigation than where this latter is included in the calculations.

Question 4.—If Government assess upon existing assets, should the assessment be made upon "sursurre" rates, or upon the jumabundee?

Reply.—I leave to those who advocate such an assessment to explain in detail how they propose to make it; but I reply, generally, that no jumabundee ought ever to form the basis of an assessment; it is invaluable as a check, and as a guide to local peculiarities. But a single jumabundee is so narrow a basis, and the proportion by which it may err so unlimited, that every good settlement officer instinctively turns to a broader foundation for his calculations, and finds in the averages deduced from the largest possible number of similar cases, data which can only contain a moderate per-centage of error.

Question 5.—Whether the permanent settlement should not be deferred till after completion of the Ganges Canal repairs?

Reply.—If the permanent settlement be assessed as has above been advocated, irrespective of canal irrigation, nothing having reference to the canal need defer for one single day that great boon, the permanent settlement, on which so much depends the future progress of these Provinces. If, however, additional profits derived from canal irrigation are to be included in the assets on which that permanent jumma is calculated, then not only should the permanent settlement be deferred until after the completion of the repairs of the Ganges Canal, but it should be deferred until the whole canal system has been fully matured, and time and experience have enabled us to reduce to *average* certainties the present uncertainties of supply, distribution, and result. In my opinion it is merely a question of permanent settlement or none. If you will insist upon including extra canal profits in your settlement calculations, you must postpone the permanent settlement *sine die*; or if you chose to call your new settlement thus made a *permanent* one, it will have nothing permanent about it, but the name and the regret with which it will inspire our successors.

Question 6.—Whether any portion of the land revenue can fairly be credited to the canal revenue?

Reply.—If by land revenue is meant only what is really land revenue, certainly not. Why should *land* revenue be credited to the canal any more than canal revenue should be credited to the opium department? But if you are led by any preconceived notions to persist in calling things by their wrong names, and having got hold of a sum of money that is partly land and partly water revenue, insist on calling the whole land revenue, then undoubtedly I must answer the question in the affirmative, and admit that the whole of that portion of your so-called land revenue, which is really water revenue, must, for administrative reasons, be credited to the canal. I will put a parallel case to the canal that I suggested at the conference. Say that a guano manufactory is started in these Provinces, which can only turn out 5,000 tons per annum; that this guano is so fertilizing to many soils that enough tenants can be found to purchase the whole stock at 15 rupees per maund. Now suppose Government limits the price at which the manufacturer may sell it at five rupees per maund, the 10 rupees thus set free will pass into the landlord's hands; since, practically speaking, as I explained in my first reply, what the cultivator gets in the long run varies little. But even admitting that only six rupees of it go to the landlord, this six rupees become assets on which the permanent settlement is calculated, and the one-half, three rupees, is called by Mr. Muir and others, land revenue. But it is nothing of the kind; it is guano revenue, which, but for your interfering with the laws of supply and demand, by fixing an artificially low price, would with much *more*, which your mismanagement has wasted, go to the guano merchant. The canal case is precisely similar; the present water price (on the profits accruing under which your permanent settlement is to be founded) is, as regards a large portion of the area requiring canal irrigation, an artificially low one; and you will therefore have included in your so-called land revenue what is really water revenue, which, with fully as much a gain, would, but for your interference in fixing the price (and this you do, as I have shown in previous replies, as soon as the permanent settlement is concluded on this basis), have gone to the canal. No

doubt, despite our leaving the laws of supply and demand to adjust the price of both guano and water, some small additional profits ever likely to vary, as both supplies and distribution vary, will find their way to the landlord, and an assessment on such *would* be land revenue; but in seeking to grasp the Government share of these small fluctuating additional profits, the propounders of the existing assets scheme have overlooked that (as already explained), their supposed little gain will prove ultimately an enormous loss; and that at the present artificially low rates they are founding a jumma not only on these legitimate assets, but on much that is really water revenue.

Question 7.—If a settlement be made on existing assets, of which a portion is derived from canal irrigation, should the assessment on this portion be made separate from the assessment on the assets which may be held to be independent of canal irrigation?

Reply.—If you insist upon founding what you are pleased to call a permanent settlement upon assets so (at present) incalculably variable as those derived from canal irrigation, no doubt the best way is to make the double settlement above suggested. The one assessment may be really *permanent*, and will give the *name* to the measure, and the other assessment, which will vary of course from year to year, as supply, distribution, and results vary, need not be permanently noticed. You will certainly escape some difficulties this way, and you will know how much of water revenue you have included in land revenue, and be able to give the canal a corresponding credit; but by the separation, you open the way practically to *endless* litigation and disputes about the variable portion, to everlasting applications for remission and reduction, of which the most perplexing feature will be that one-half probably will be more or less well-founded; and you do not avoid that fatal mistake whereby fully half of what is really canal revenue (and could be realised as such under the arrangements advocated in previous replies) is allowed to be absorbed by the zemindar. (*See, further, my letter, No. 16.*)

Question 8.—How could you make the permanent settlement if the canal had been made by or belonged to private parties?

Reply.—On exactly the same *principles* as those on which I now propose to make it. It is true that, had the canal been in the hands of private parties, and therefore the rates not kept down artificially, long before now water-rates would have absorbed the whole of the extra canal profits which are really water revenue, and no portion of this latter would remain, as it now does, in the hands of cultivators and zemindars; for the test of what is water revenue and what are land profits is simple. So much of the extra profits derived from canal irrigation as you can, without compelling a disuse of canal water, absorb by water-rates, so much is water revenue. The small residue that cannot be thus absorbed comprises extra profits of cultivator, and extra rent; and this *latter*, if you could be sure of getting it *tout pur et simple*, might, if canal irrigation, supply, distribution, and result were certainties, form the basis of a permanent settlement. But certainty in these matters can, in the case of the Ganges Canal, be guaranteed by no one, private individual or public officer, for many years to come; so that even in assessing under the supposition embodied in the question, we should reject these small fluctuating profits, still more, then, ought we now to reject the *large* fluctuating profits which Mr. Muir wishes to include, three-fourths of which are water revenue, which will disappear as soon as you leave the regulation of the price of water to the ordinary laws of supply and demand.

(signed) A. O. Hume,
Collector.

Etawah, 21 January 1865.

NOTE on Mr. R. G. Currie's Supplementary Pamphlet regarding the Permanent Settlement of the North Western Provinces.

THE opponents of the present system of settlement of the land revenue, and who would substitute in its place a settlement irrespective of canal irrigation, seem to me to have made the following grave errors:

- 1st. They forget that the land revenue of India is virtually a tax on rent.
- 2nd. They mix up canal water rent with land rent, and thus fall into hopeless confusion at every step they take.
- 3rd. They immensely exaggerate the precariousness of the canal water supply.

I hold to the opinion that Government is entitled to a moiety of the rental, however much that rental may have been augmented by canal irrigation, by manuring, or by any other process. It matters little whether the canal has been made out of the general revenue, or by a private company. The landlord will, in either case, after all expenses have been paid, receive some enhancement on ordinary rents; and it is the duty of the settlement officer to ascertain what that enhancement is before he fixes the amount of the Government demand. It is not likely, unless cash rents prevail, that the settlement officer will hit upon the exact amount of the rental which reaches the landlord, nor is it of any use entering into very elaborate accounts, but it will be sufficient if, after comparison of various data, an average be struck over 10 years or so, and the revenue be assessed accordingly.

Messrs. Currie, Forbes, and others admit that, if this system of assessing upon present rentals be abandoned, and resort be had to an assessment upon natural capability of soil, there

there will be a sure sacrifice of a certain amount of revenue, although Mr. Currie would have us believe it will be only 38,000 rupees in the Boolundshuhur District; that is to say there will be little or no difference between an assessment including canal profits and one irrespective of the canal! In support of this extraordinary statement, Mr. Currie gives us an insight into a lengthy tabular account, which he and the native Deputy Collector appear to have drawn out together; but I ask any experienced officer if he does not consider this tabular account to be "*a biased approximate rough calculation*," to use Mr. Currie's own words. By the first computation made in the Boolundshuhur District, the loss to Government was reckoned at 85,000 rupees, so the Commissioner of the Meerut Division informed me; now it has come down to 38,000 rupees, and further reduction is promised! Of course it is possible to show at this rate that the canal does not add a farthing to the net rental of an estate, and that, as far as Government is concerned in sharing a portion of the enhanced profits, the canal might be "*in nubibus*." It makes no perceptible difference one way or other. Allowing then that Mr. Currie is somewhat a biased reformer, let us see what the members of his party have to say in the matter. Messrs. Forbes & Crosthwaite would make good the loss of revenue by increasing the price of water, and by having a separate canal rate for the actual area irrigated in any given year. Now mark the confusion of these ideas. Water rent and land rent are mixed up together as if they were derived from one and the same source. It has not struck these gentlemen that land settlements have no connection with what Government may choose to demand for canal water; the latter would be taken under any form of assessment, consequently any deficiency in land revenue cannot be said to have been reimbursed by an addition to the price of water. Government stands in the place of an Irrigation Company, and is quite justified in asking for a full, but not exaggerated, price for the water, and also for a full moiety of the land-rent. Mr. Currie, in page 11 of his Supplementary Pamphlet, wisely throws overboard the exemplar in his first note. He must have seen, as everybody else did, that lowering the jumma at the cost of raising the price of water, was a clean gratuitous gift of so much revenue to the landlord, and an addition to the burdens of the ryot. Such a position was manifestly untenable, and we are referred for its explanation to the general "context and drift of the argument," to facility of irrigation due to solidity of subsoil and proximity of water to the surface, &c., or, in other words, to natural capability, about which more hereafter.

As the fall in the revenue cannot be supplied by raising the price of water, Mr. Crosthwaite ingeniously enough proposes to have a canal rate upon the area actually irrigated. We have, therefore, three sources of income, ordinary land revenue permanent, a canal rate, and a water rent. The two latter will fluctuate and vary every year. The same inquisitive inquiry will have to be carried out annually to ascertain the amount of the second as the third item. We are not told who is to pay the canal rate; but I presume the zemindars are the proper persons. Will they, does any one think, prefer this sub-division of the revenue to paying a moiety of the rental? Which is the most simple and intelligible to all minds, the present or the proposed system? Mr. Currie evidently does not like this canal acreage rate, or royalty paid to Government by the landed proprietors for the use of canal water; for he says, "Government may well forego that slight pecuniary loss, and not have recourse to any method for recovering it." So sorely perplexed how to fill up the inevitable loss to the Treasury, the opponents of the present system endeavour to show that an assessment, based upon natural capabilities, will, after all, give but a small loss, and because I say this natural capability rate is nothing new, except so far as a wholesale charge is made for wells not in existence, I am guilty of a "strange inconsistency!" Why, I have all along entered into my account of canal profits any possible irrigation from wells thrown into disuse by the canal, 22 acres, or 44 pukka beegahs of land has been declared the average amount irrigable from a well, and as to the discrimination of soils, every pergunnah of this district has been divided into three or four circles, according to the preponderance, or otherwise, of the richer soils; and in each village there are four kinds of soils, or less, as the case may be, viz., '*meesun*,' '*roslie*,' '*dakur*,' and '*bhoor*.' To each of these soils there are standard, irrigated, and unirrigated rent rates. What more discrimination do you require than this; what have we overlooked? I know I have been charged with ignoring wells altogether. This is incorrect; but what I do assert is this, that it is unsafe to trust young settlement officers, or indeed experienced settlement officers, with such extensive powers as is implied in the liberty to charge dry lands that have never yet been irrigated throughout these many years of settlements, as if they were capable of irrigation. As a rule, to which there will be exceptions, wherever the facility of constructing wells is great, there will be many wells already working. When these wells fall in, others are dug in their places. On the other hand, where water is at a distance, and wells expensive to make, there wells are few, and capital is seldom forthcoming to add to the number of those already in operation. Should there have been any fraud or *suppressio veri*, the settlement officer will take care to protect Government interests at the time of measurement, by a correct classification of soils and adjustment of rates; but it is surely not prudent to allow officers who are pre-engaged to fill up a certain "vacuum," to charge acres of dry land as if irrigable from wells.

There is another view of the proposed changes to which I wish to draw attention. Supposing it possible to supply the deficiency of revenue by charging enhanced rates for water to be paid mostly by the cultivators, an alternative which I have already reduced to

an absurdity, would not the question of rent between landlord and tenant be opened out afresh, and the whole agricultural population dragged into the local courts, either to recover or adjust rents under Act X. of 1859, and Act XIV. of 1863? A pleasant prospect this to have the interminable quarrels of Bengal Proper re-enacted in these provinces, hitherto free from such embroilments. This would be one of the unhappy results of abandoning the rational system of assessment upon present average rentals, and substituting in its place an assessment upon supposed capabilities of the soil. I use the word "supposed" advisedly because it is suggested the profits from future wells should be carried into calculation; nobody knows when or where the money is to come from to build these imaginary wells. The directions of the Board of Revenue regarding the value to be put on various kinds of soils are amply sufficient to embrace the theory of what is called the natural capability rate, and as there is nothing novel in this portion of the proposition, excepting the very "*strange inconsistency*" above alluded to, the plan might be negatived as already provided for.

The precariousness of the canal water supply has been immensely exaggerated to suit the opinion of the new school, if such a name can be given to a party who really have no new principle to inculcate, but a very old one which they wish to distort. It is said the canal is to be a perennial source of trouble, aqueducts are to break down, embankments give way, old Rajbuhars to be deserted and new ones taken up, &c., &c. In fact the Ganges Canal is to be a hideous failure, not so the Eastern and Western Jumna Canals, which are allowed to be successful. Now I do not look upon the Ganges Canal in this desponding light. I think our engineers will overcome all difficulties, and if the worst does come, I have got the jummas apportioned off, thus: 500 rupees jumma (300 rupees ordinary, 200 rupees due to canal). If the canal stops for only one harvest, I do not think the zemindars will ask for remission; but if a whole year is consumed in repairs, then drop the amount due to canal profits minus any amount the landlord's rental may have been augmented by other causes. Mr. Currie seems to think Government is bound by some implied contract to keep up the rental to a fixed amount; but he forgets altogether that, with the progress of civilisation, the landlord's rent will increase, independent of the action of the canal, and that what was the rental when the village was assessed, will, in a few years, be much altered for the better; consequently the zemindar can still afford to pay his jumma, although his profits may have been diminished by the stoppage of the canal. As to Government being sued for damages in the civil courts, I have no fear of this, because the grounds of assessment can never be made a subject of litigation. The civil courts are only empowered to decide between two claimants for shares of the proprietary profits; they have no concern with the mode of assessments. This is purely a revenue business, appealable to the Commissioners of the Division and to the Board of Revenue, and as Government has entered into no specified contract of any kind, a suit for damages, on the score of breach of contract, would be nonsuited *in limine*.

Differential water rates in the same village, or tract of country, are a great bugbear to the parties whose propositions are under review. The recent order of the Governor General, fixing a rate of 5 rupees per acre for sugar cane, and Rs. 2. 4. for other crops, has partly disposed of this dilemma. In the Moozuffernuggur District, irrigation is almost at a maximum, consequently differential rates are not likely to occur. Mr. Currie doubts this, and says, "I rather close my eyes against the difficulties than look 'the question fair in the face.'" I am very much obliged to Mr. Currie for his opinion of my courage, but I doubt his competency to judge; perhaps Mr. Currie knows this district better than I do, who have been here three years, and visited every inch of ground.

Allow that the Governor General's order does not affect the question of differential rates, how does the question stand? In the same village, suppose one cultivator has to pay Rs. 2. 4. per acre for water, while another has to pay 3 rupees, the canal officer will give water to the latter in preference to the former. True; but will not the cultivator, who pays the cheaper rate, immediately offer to pay the higher price, and so be on the same level with his neighbour, the landlord's rent remaining the same in both cases? You may depend upon it the cultivator, if he can afford to pay, will never let the water slip out of his hands in this manner. I object, however, to the canal being classified *absolutely* with other purely mercantile concerns, and auctions being held in every village, to see who will pay the highest price for the water. If Government gets 8 to 10 per cent. interest on the outlay, a fair interest surely, I am certain villages now irrigated will never be deprived of water because other villages offer to pay higher. Justice will be dispensed to all parties without respect of persons. In conclusion, I would suggest that this interesting problem how to show that a settlement, based upon natural capabilities of soils, irrespective of canals, yields the same revenue as a settlement based upon present rentals, including canal profits, be solved by Mr. Currie, and that he be requested to postpone his furlough until this important State question is satisfactorily disposed of.

To do so he must condescend to give us a little more weighty argument than is to be found in the frothy pamphlet that has given rise to these remarks.

(signed) S. N. Martin, Collector.

ANSWERS to Questions by Mr. Wynne.

Question 1.—How far does canal water rate practically affect the rent of land?

Abstractedly speaking, any water rate must even now so far affect rent that if there was no water rate at all, the cultivator could of course pay more to the zemindar.

How far it does actually affect it, is a matter which each officer's experience must decide. The result of mine, confined to the Eastern Jumna Canal, is that, if the zemindar's share of the produce is half the produce on dry land, it will be some two-fifths on well-irrigated, and some one-third on canal irrigated land, *i. e.*, a difference of one-fifteenth. Still the actual produce being greater,* the zemindar's actual rent will be at least equal on well and canal irrigated land, indeed I generally find more on the latter.

So that as yet water rate is so far from having encroached on rent that the very opposite is the case. The amount paid to the zemindar includes a small surplus sum paid to the zemindar that might be added to the water rate.

With time for calculation, it would be easy to give the amount so encroached on in rupees, annas and pie.

† Next comes the consideration of what effect an enhancement of the water rate naturally has on rent.

Though the profit at which the cultivator will continue to hold his land is, as Mr. Hume has noted, an invariable quantity in theory—and as a general rule in practice also—yet by experience I am convinced that in Saharunpore (and I should say elsewhere also) there is a considerable margin of profit accruing to the cultivator after paying rent and water rate, out of which a small enhancement of the latter may be made without affecting the former.

But any such enhancement‡ as that ordered by the Governor General in Council, taken as it must be in connection with the prospect of a further increase hereafter, puts us face to face with the difficulty—who is to pay the enhanced rate, and how will it affect rent? On the first point all are agreed that it should and will come, whether immediately or eventually does not matter, out of the pocket of the actual cultivator. With regard to the second, it is to be observed (though this is rather anticipating the answer to the second question) that whatever difficulty there is, does not attend only the system of assessment independent of canal profits, but is quite as much a difficulty under the system which it is proposed to continue. In either case it appears to me that the rent will be adjusted in the following manner. If a cultivator at the time of settlement pays 4 rupees per acre as rent and 1 rupee per acre as water rate, he will, whether there was before a margin or not, object to pay that amount, when the water rate is doubled. He will seek to reduce his rental by the amount by which the water rate has been enhanced. But if that rental has been made the basis of settlement, the zemindar will regard its reduction as a grievance, and justly so. He will sue for the amount of his former rent, and the rent court will, I should say, undoubtedly decree in his favour, and will point out to the cultivator that he need not take the canal water unless he likes, and that the natural rent of the landlord must not be affected by the act of the tenant. If, then, the enhanced water rate is really more than the difference between the cost of well and canal irrigation, the cultivator will discontinue the use of canal water, and if there are no other sources of irrigation, he, in his turn, will be able to come into court with a claim for abatement of rent owing to the diminished productiveness of his lands—even in this case the receipts of the zemindar will not be lowered below the natural rent rate, *i. e.*, what it would all along have been independent of canals. Meanwhile the canal officer will have learnt that his water rate is too high, and when one or two such experimental enhancements have been made and failed, the water rate will reach its natural standard.

A strong argument is thus furnished for allowing a part at least of the collections on account of canal profits to be based on a rate fixed by bargain between canal officers and cultivators as proposed by Mr. Crosthwaite. (*See below, answer to question 7.*)

It may be argued that the rent rate on which the assessment is based would even thus be stereotyped, and that while the rentals of the neighbourhood were increasing, those of the canal irrigated villages would continue stationary. Not if the rent courts hereafter take into consideration (as they will) the fact that the natural rental (*i. e.*, that independent of the canal irrigation) has increased beyond the amount which formed the basis of settlement. Whether it has done so or not, could easily be ascertained by inquiring what the rent rate is in the parts of the neighbourhood unaffected by canals.

I have, in answering this question, taken the most unfavourable case, *viz.*, that no disputes between landlord and tenant will be settled except in court. I do not myself dare to hope that the relations between the two can long continue to be marked by that comparative immunity from litigation which distinguishes the state of things here from that which prevails further down country. But I would observe that the chances of amicable adjustment

* Greater in the particular tract of country of which I am speaking, because the canal enables a double crop to be grown on many lands, and in many more enables that most paying crop, rice, to be grown.

† Note this and all the remarks between parenthetical marks [—] have been added since the conference.

‡ Taking the per centages of the different crops given in the resolution of the Governor General in Council, on the enhancement of water rates, the rate in the Eastern Jumna districts (when all is for irrigation) will be raised 97 rupees per 100 acres, or nearly 1 rupee per acre, and though the price paid for the Kolabas calculated at 8 annas per acre will be repaid, yet this will be a boon not to the cultivator, but to the landlord.

adjustment out of court, and the facilities for satisfactory decision of such disputes in court are far greater under the system of assessment that we propose than under the present system. In the first place, when the settlement of a canal irrigated village takes place, and a remission is given of that part of the jumma that depends on canal irrigation, it is almost certain that, even though the water rate will be increased, the amount of rent will be amicably adjusted, the zemindars feeling that, as their *net* receipts will not be diminished, they can afford to lower their rent by the amount by which the burden of water rate thrown on the cultivator may have been increased. Or, if the case *does* come into court, the principle according to which it is to be decided is as clear as can be wished.

If in the next place canal water is introduced subsequently to settlement, the cultivator, finding that his produce is on the whole increased, will be able to continue paying the former scale of rent, or indeed (owing to the competition for such lands) rather more, and yet bear the burden of the full price of water, and it is to be observed that, according to the arrangements in the Viceroy's resolution on the permanent settlement, the whole of the higher water rate to be imposed on lands to which canal water is subsequently introduced (and this must of course be sufficient to make the canal paying) will fall on the cultivator, and may therefore encroach on the zemindar's rent; whereas according to Mr. Crosthwaite's scheme, a part of the canal income will consist of a rate per acre of irrigation payable by the zemindar, and representing half his additional assets, so that the amount falling on the cultivator will be proportionally less, and therefore less likely to encroach on rent. The conclusion is then that, whatever difficulty there is, is not raised by those who propose the remodelling of the present system of assessment; but that it is on the contrary rather less of a difficulty, and litigation on the subject of rent rates can be more generally prevented, or at least, if not prevented, more easily decided under the proposed than under the present system; finally, that the difficulty is in either case far less than it appears at first; that rents, however much water rates be increased, can never be permanently lowered below what they would be if there was no canal irrigation: that, if water rates are rigid and also high, they may *tend* to encroach on rent, and that the moment this tendency is felt, the zemindar, by demanding his full former rent, can force the tenant to disuse canal water; but that if the amount of the rate be not rigidly fixed, but be regulated by the demand for water, such disuse can only be very temporary. Even now many possible cases have been purposely omitted to avoid undue lengthiness. I can only hope that if objections are taken on any point, I may be allowed to submit a full answer.

Question 2.—Whether in assessing lands for the permanent settlement it is incumbent on Government to assess irrespective of canal irrigation, or on existing assets?

Against the present system of assessment, there are the six following arguments which I can only give briefly:—

1st.—I beg to say the least extreme doubtfulness of securing a regular supply of water. Not even a canal officer, not even an Eastern Jumna Canal officer, if asked, can promise a regular supply, or even a supply approximating to the standard of regularity by, I should say, 33 per cent.

There are undoubtedly other elements of uncertainty in all assessments. Droughts, murrain, depopulation, &c., &c. But apart from the fact that *this* element of uncertainty is, in our eyes, out of all proportion greater than the others (the experience of centuries teaching us that the general average of season continues pretty much the same, and that an exceptionally bad season is compensated by an exceptionally good one), apart from this, it is contended that it is a positive duty to reduce the elements of uncertainty to a minimum; and that while we cannot remove the *other* elements, *this one* we can, and therefore should remove.

2nd.—Government will find itself fettered, as to the disposition of the water. There are tracts which would be positively benefited by the removal of canal water, and in which, for sanitary reasons, it seems expedient to adopt such a course. There are other tracts already to a comparative extent removed by the abundant natural sources of irrigation from apprehension of famine, but which are now super-saturated with canal water, which is thus prevented from reaching tracts lower down and more exposed to the effects of bad seasons. One main object of canals being the prevention of famine, the fact of Government being fettered in this respect seems a weighty objection to the existing system.

And how can Government, after assessing permanently assets derived in part from canal irrigation, feel itself at liberty to take away the canal irrigation and yet maintain the assessment?

3rd. Under the present system it would be almost impossible to get private companies to take up schemes of canals, or to work them satisfactorily afterwards, and that for these reasons:—

(a.)—Because, as is evinced by the differences of opinion on the subject, it is hard to decide how far the land revenue encroaches on the canal revenue or the reverse; and, as therefore, there is a difficulty in deciding what would be the interest on capital so expended, companies would not be found willing to take up a scheme on terms favourable to Government: an instance in point is the preposterous terms which I believe the East India Irrigation Company lately offered to take up the management of the Ganges Canal.

(b.)—Because, even after a scheme had been taken up by the company, there must arise differences of opinion between Government and the company, as to whether at half assets, more had been taken for land revenue than was proper. I do not see how such differences could be prevented, or by what rule they could be decided.

(c.)—The

(c.)—The company like the State would find its hands fettered, whenever it seemed advisable to alter the disposition of the water.

4th.—The case of *Maafee* villages affords a strong illustration of the inexpediency of the present mode of assessment. A *Maafeedar* has had his agricultural profits increased by the introduction of canal water, for which benefit he pays nothing specially. So, it may be replied, has his rental been raised by railroads, &c., &c., for which benefit also he pays no equivalent. On this it is contended, *firstly*, that roads, &c., are primarily used for objects quite unconnected with agriculture, whereas an irrigation canal is wholly intended for agricultural improvement. *Secondly*, that it is impossible to estimate or assess the amount of benefit derived from roads, &c., and that it is possible both to estimate and to assess that derived from a canal. This object would be gained under the proposed system, according to which, while the *Maafeedar* would be free from the tax on assets independent of canals, he would pay an equivalent for the profits derived from that source. The number of cases thus affected is no doubt inconsiderable, but the present system cannot be regarded as complete as long as it fails to meet *one* actually existing case; and it is undoubtedly the duty of the State to exact the uttermost farthing for improvements effected by general taxation.

5th.—If the present system did not involve the necessity of subsequently introducing differential water rates (*i. e.*, a higher water rate on land to which canal irrigation may have been extended subsequent to assessment), we might forego the discussion of the evil consequences to be thence apprehended; but this necessity has been clearly foreseen all along. It cannot be avoided without sacrificing the whole or greater part of the canal revenue on subsequently irrigated lands, and giving a gratuitous boon to a part of the community at the expense of the rest.

Further, to be consistent, not only must a higher water rate be imposed on whole tracts to which canal irrigation shall subsequently be introduced, but also to particular villages in which the small area of canal irrigation at the time of settlement shall have subsequently been much increased. Otherwise the canal and the State will be deprived of their just dues on the amount of subsequent irrigation.

If the necessity of imposing differential rates as laid down in the Governor General's resolution be once admitted, it is, I think, clear that a door is opened for all the complications that I have endeavoured to detail in a separate memorandum, Appendix I.

6th.—[In order to secure Government from being sued for remission of revenue (some say for compensation also) on failure, or any imagined failure, of the canal, the profits due to which had been taken into account in the assessment, it seems necessary, as directed by the Sudder Board of Revenue, to enter in the settlement engagement a stipulation that the assessment shall be paid whether the canal fails or not,—a stipulation which, I submit, is defensible only if it be understood that it shall be a dead letter whenever any occasion, such as that contemplated, shall *bonâ fide* occur. I beg also to submit that it would be impossible with justice to farm the estates of any man who refused to make such a stipulation. To resume; there are six main objections to the continuance of the present system of assessment.

First.—The element of uncertainty caused by the irregularity of the supply of water.

Second.—The undeniable check on the water being used where it is most needed.

Third.—The difficulty of getting canal schemes taken up by private companies.

Fourth.—The unsuitableness of the present system to *Maafee* villages.

Fifth.—The necessity which that system involves, of introducing differential water rates with all the consequent complications.

Sixth.—The further necessity of adding an objectionable stipulation to the settlement engagement.]

Question 3.—If the former, then on dry rates, or on estimated capabilities of the soil, or how?

Not on dry rates, because an enormous loss of revenue would follow, but on natural capabilities, for the ascertainment of which every settlement officer possesses nearly as numerous data as he possesses for ascertaining actual assets.

The weightiest of Mr. Martin's arguments is based on the objection that the amount of area, which would be irrigated if the canal supply were to cease, could not be estimated except by conjecture—a dangerous power to be entrusted to any settlement officer.

In reply it is contended that one or all of the following reliable data for such an estimate would certainly be available.

(1.) Where canal irrigation has recently been introduced (as it has to an enormous extent since the famine), the number of wells existing there before can be ascertained *exactly*.

(2.) Scattered over canal irrigated tracts, there would be found to be villages still irrigated from wells. The proportion of the number of these wells to the total area of cultivation would give a sure indication of the number that might be anticipated in the canal villages on cessation of the supply of canal water.

(3.) Parallel to the line of canal villages there would be found a strip of country dependent on wells alone, but with, otherwise, the same natural characteristics. The proportion of wells in such a tract would give the same kind of indication as that mentioned above.

(4.) In and about the canal irrigated tract, there would be found a number of villages to which the canal water had not yet reached. The rates of rent in them can clearly be

ascertained, and will give the best of all indications of what the natural assets of the others, *i. e.*, the canal irrigated villages, would have been if the canal had never been heard of.

(5.) The records of last settlement, and the details given in the professional survey books, are aids to the ascertainment of the natural capabilities.*

[I have in a separate paper (Appendix II.) endeavoured to show (as far as the information at present available suffices) the probable financial difference between the two modes of assessment in the canal irrigated tract of Tehseel Nukoor. It will be seen that the loss of revenue, if the assessment be made on assets independent of canal, may be estimated at Rs. 8,972. 5. in 60,672 rupees, or about 14½ per cent.]

Question 4.—If the latter, then on “Sursuree” rates, or on the actual Jumma-bundee? This is for the defenders of the present system to answer.

Question 5.—Whether permanent settlement should not be postponed till after completion of the repairs of the Ganges Canal?

Yes, if the present system of assessment is continued, but such postponement will not be necessary, if the system we propose to substitute be adopted.

Question 6.—Whether any amount of land revenue can fairly be credited to the Canal Department?

I think if the case of the canal having been made by private capital be taken, it is not difficult to see that the whole return for what the canal has done in the way of improvement should be placed to its credit,—and this not on the ground of abstract right and fairness, a field of inquiry which in such matters it is well to avoid, but on the ground of expediency, simplicity in account, easiness in finding a rule for fixing the amount of contribution to be paid by the Canal Company to the State in lieu of the half share of the additional assets which the latter foregoes.

Question 7.—If a settlement be made on existing assets, of which a portion is derived from canal irrigation, should the assessment on this portion be made separate from the assessment on the assets which may be held to be independent of canal irrigation?

There seems to be the following objection to such an arrangement. If an assessment be so made; if, that is, the permanent jumma be divided into two items.

(1.) The tax on assets independent of the canal.

(2.) That on assets dependent on the canal, and if the people be then given to understand that the second item may be remitted on failure of the supply of water, is it not plain that you open a door for all kinds of claims for remission on any fancied diminution or merely temporary failure of supply? Whereas if the scheme advocated by Mr. Crosthwaite, and, with some modifications, the same as that favoured by Mr. Money in his letter on Mr. Currie's pamphlet, be adopted, the zemindar knowing the amount he has irrigated, for the reason, will, for each acre actually irrigated, pay the rate which was permanently fixed, and withhold the rest.

[The main features of Mr. Crosthwaite's scheme I understand to be as follows. Adopting the distinction laid down in the Board's letter No. 698, dated 24th September 1864, between :—

I.—Ordinary land revenue, *i. e.*, independent of canals.

II.—Extraordinary ditto, *i. e.*, dependent on ditto.

III.—Water rate.

The settlement officer would assess and fix for ever—

I.—The ordinary jumma which would have been demanded had there never been a canal. This may be called the jumma at capability rates.

II.—The extraordinary jumma due to canals, and which might be placed to their credit. This should be the product of a rate per acre of canal irrigation, and would, for each tract, vary inversely with the natural capability, being high where the people's dependence on canal water, owing to the absence of other sources of irrigation, was greatest, and *vice versa*, low where it was least. The rate itself would be permanently fixed, though the total amount produced, depending on the fluctuating average of irrigation, would fluctuate also; and it is contended that the principle of permanency of demand would thus not be compromised in the very smallest degree.

III.—As this extraordinary demand would merely represent the State's share of the increased rental due to canal irrigation, there would be room for a water rate besides, and the amount of this would be decided by private bargain between the canal officer and cultivator. With this the settlement officer would have nothing to do.]

Question 8.—How would you make the permanent settlement if the canal had been made over to, or were the property of, private companies?

In such a case, the permanent portion of the demand should be calculated on the assets which, it is estimated, the village or tract would have had if there had been no canal. The extraordinary revenue, *i. e.*, the rate per acre of actual irrigation, will be fixed for ever also, and

* Finally, it may be asked whether there is any part of the task of the settlement officer in which even now he has not to decide on probabilities, or whether there is any in which his results can be reached or proved by a mathematical process.

and will be paid, so long as irrigation lasts, by the zemindar or cultivator to the State. Finally, the water rate paid to the Canal Company would be a matter of private bargain between it and the cultivator.

(signed) *H. Le Poer Wynne,*
Settlement Officer.

From the Collector of Etawah, to the Officiating Secretary to the Government of the North Western Provinces, in the Public Works Department (No. 16), dated the 9th January 1865.

I HAVE the honour to acknowledge the receipt of a copy* of your letter No. 1A of 1865, dated Agra, 2nd of January, to the address of the Secretary to Government of India, Public Works Department, with enclosures, having reference to canal water rates and other kindred subjects.

2. In May 1856, I asserted the principle that "*increased profits due to canal irrigation ought, in all future settlements, to be excluded from the village assets on which the Government demand is calculated.*" Since that time I have lost no opportunity of pressing this question on the consideration of every authority from the Governor General downwards, and I may be therefore excused for taking a deep interest in the result of the present discussion, in which for the first time the views I have so long espoused appear to be meeting the support of other and abler officers.

3. This principle, which I asserted with only temporary 30 year settlements in view, is, it seems to me, if possible, even more important when applied to permanent settlements, and as one of its earliest and for many years its sole advocate, you will, I trust, pardon my inviting your attention to some of the more prominent of those considerations on which my conviction of the truth of this axiom was based.

4. I must premise that in my judgment the general question of water rates has scarcely as yet been discussed on sufficiently broad and philosophical grounds. I do not, in opposition to the opinions of so many abler officers, presume to deny the correctness of the results arrived at, but I submit that these results have not been obtained by a correct method. Five rupees an acre may or may not be a proper charge for sugar cane, but in either case it has not been arrived at in accordance with those principles which should, in my opinion, govern the determination of all rates.

5. Briefly, my argument is this—Government, the servant of the public, has spent a sum of public money in order to afford to a limited section of that public certain advantages. As trustee for the general public, Government is bound to obtain the largest possible permanent† return for the money so expended. That return is obtained by the sale of the advantage in question. In the case of canals it is water that is for sale, and the sole principles upon which the determination of water rates should rest is that the *water shall be sold at the highest price that will permanently permit the consumption of the whole stock.*

6. It will be observed that I say *permanently*, not because theoretically it would be *unjust* for the Government in seasons of scarcity to raise the price of water, but, 1st, because the experience of analogous private commercial enterprises proves that it would be impolitic; and, 2nd, because seasons of scarcity cannot be foretold, and from the nature of the transaction, a year's previous notice of any change of rate is absolutely essential.

7. This last proposition rests upon several grounds, of which it will be sufficient to mention two; first, the introduction of canal irrigation leads to the abandonment of wells. Cutchu wells in most part of the Doab can only be constructed in certain parts of the year, and, further, take some time to dig. You have no right suddenly to raise your rates, where wells have been abandoned on calculations of profits founded on your previous rates, without allowing full time for the reconstruction of such wells, should your new rates in any locality prove so high that well‡ irrigation would there be cheaper for the people; 2nd, at the end of May each cultivator determines what lands he will reserve for the spring harvest, and which he will crop in the autumn. This determination will be mainly governed by the available facilities for irrigation. If the new water rate is too high to permit his making a profit by taking the water, he will probably crop the whole of the land in the autumn, or, if he reserves any for the spring, it will be only such small portion as he can irrigate

* Received this day with your docket, No. 124 A, of the 7th January, 1865.

† Not temporary.

‡ There is a question involved in this, which requires careful investigation. Many able canal officers would remark that the permission to re-dig wells and irrigate thence without charge would be unjust to the canal, because the water level having been greatly raised by this latter, the people would thus really get canal water for nothing, and that even if the water still lies in such wells far below the surface, it is yet much nearer than it used to be, and that for such raising of the water level the cultivator should pay something. Measurements of several hundred wells have led me to doubt whether practically percolation extends as much as has been asserted. I myself have never in this district found a normally situated well distant more than 400 yards from the canal in which the level of the water had been undoubtedly raised, and I have measured numbers of wells within 200 yards of the canal in which, if the settlement records are correct, the water level is (of course not in consequence of the canal, but still notwithstanding the canal) lower now than formerly.

irrigate from the well he decides to dig. But if water be comparatively cheap, he will usually reserve at least half for the spring. It would manifestly be unfair to raise the rates in any year, after the cultivator had made his arrangements, and so render him liable to pay seven rupees, perhaps, per acre, when all his profit and loss calculations were founded on a rate of five rupees per acre.

8. To return, the axiom that *water shall be sold at the highest price that will permanently permit the consumption of the whole stock*, is merely an application of a fundamental commercial maxim to what is really a commercial undertaking. Doubtless, amongst other things, the Government wished to prevent the *recurrence of famines* (but even this too involves the idea of a return for outlay), and they wished again to set an example to private enterprise, but that too, unless we substitute warning for example, involves the idea of reasonable profits, and on the whole, though many motives of policy may have aided to influence the Government, the broad ground on which alone the huge outlay that has been incurred could be justified is, that the undertaking would pay. It is a commercial transaction, although like all legitimate commerce it benefits thousands or millions besides the actual merchants, and the fact of Government being the proprietors in no way affects the questions, and is after all only a temporary complication. That Government should continue to usurp permanently the legitimate field of private enterprise, is too flagrantly in violation of those first principles of the English constitution to which England owes her greatness to be ever seriously contemplated. In France even, where such usurpations are in accordance with her earliest antecedents, and where a despotic centralisation reigns supreme, the Government is beginning to feel seriously their inconvenience, and in India, governed by English statesmen (despite the present tendency to centralise), we may rest perfectly certain that sooner or later the Ganges Canal will pass into the hands of private individuals, and that the sooner the operations of the canal are put upon a broad business-like basis, the sooner this great desideratum will be arrived at.

9. This one maxim that the *Ganges Canal water shall be sold at the highest price compatible with the permanent consumption of the whole stock*, will, while it ensures full justice to the general public whose money is now invested, aid us to dispose of every difficulty connected with the subject.

10. Let us suppose the canal finished, and the average available supply 6,000 cubic feet per second, now flush irrigation of sugar cane pays better apparently than anything else, and therefore enables the recipient to pay a higher price for the water than any other crop. Hence, if there was a sufficient demand; *i. e.*, a demand for 6,000 feet per second for the irrigation of sugar cane along such rajbhuas as will permit of flush irrigation, I would allow only that kind of irrigation by charging for all water the full price that flush irrigations of sugar cane could afford to pay. You will say this will deprive whole tracts of country, and whole classes of the community, of all the advantages of the canal. Agreed; but with that we have nothing to do. If on behalf of the public we have only 6,000 feet to sell, and A., B., and C. will and do buy the whole at 1,000 rupees per foot, why should I reserve a portion for D., who can only afford to pay 800 rupees per foot? We are very sorry for D., but if he can't pay the market price for our water, he must go without, and make other arrangements of his own.

11. Again, supposing that owing to the grave errors committed in lining out rajbhuas, too many of which appear to have been run in valleys instead of on water sheds, the whole of our water cannot be utilised in flush irrigation, and that a certain portion must be given in "*lift*" (or *Dal*), I would, supposing there was a sufficient growth of sugar cane, restrict the use of this "*lift*" water to sugar cane by fixing a price so high that only the sugar growers could afford to pay it.

12. Manifestly, if we can sell all the water we have to sell at 20 rupees per 1,000 feet for sugar cane, it is an injustice to the general public to sell any at 15 rupees per 1,000 feet for barley or wheat. Of course, if we cannot get rid of our whole stock at a rate which only sugar growers can afford to pay, we must lower our rates; in other words, we *must fix the highest rate compatible with the permanent utilisation of our whole stock*.

13. There must be a difference in the rates between flush and lift irrigation, but beyond this there should be none. At present water is sold by the acre, but neither the sale of the water nor the management of the canals will be put upon a really healthy basis till water is sold by the foot. Practical difficulties encumber the question, but these have been entirely surmounted elsewhere, and will be conquered here. The only ground on which differential rates can be *now* admitted, is that one class of crop requires more water per acre than another, but this ground is removed directly water is sold by measure. To maintain differential rates founded on the *different use to which* the article sold is to be put, is palpably absurd. Conceive a grocer selling currants of the same quality at 6 *d.* a lb., if wanted for puddings, but charging 1 *s.* if he found they were going to be used in mince pies!

14. At present the canal is in such an unfinished state, and such vast quantities of water are everywhere running to waste,* that the question of what the highest practical working rates

* There were recently about 450 feet per second running to waste at the tail of one channel passing through this district.

rates really are, cannot be fairly discussed, but I have thought it necessary to press the question,—1st, *because the recognition of a sound principle or standard to which all subsequent arrangements may be referred*, is in the highest degree desirable; and, 2nd, because the recognition of this principle will enable us to dispose satisfactorily of all the difficulties that environ the settlement question.

15. Heretofore all discussions on this latter subject seem to have involved a misconception so grave as to vitiate all the results arrived at. The Board's letter, No. 688, of the 24th September 1864, lays down in paragraph 3 that the receipts from villages into which canal irrigation has been introduced fall under three heads:—

1st. Ordinary land revenue.

2nd. Extraordinary land revenue created by and dependent on causes; and

3rd. Water rate.

Now this I consider to be a mistake. I do not deny that in some few places, in defiance of the broad principle laid down in my second paragraph, land revenue may have been assessed on profits that should really be absorbed as *water* revenue, but I assert that where such is the case, it has been the result of misconception, and that instead of being a regular normal and desirable state of affairs as the Board appear to consider it, it is an irregular, abnormal, and utterly undesirable arrangement.

16. The receipts from villages into which canal irrigation has been introduced should consist of two items only:—

1st. Land Revenue.

2nd. Water Revenue.

The first enjoyed by Government in their general capacity of manager of State property, the second as directors for the time being of a commercial undertaking in which public money is invested.

17. See now how vitally important to the public interests is this distinction. Take the case of the Maafee village, put by the Board in their 13th paragraph. According to *their* view of the case, a Maafeedar, who has no earthly claim except to his 1,500 rupees, is to receive a bonus of 500 rupees a year, *because* the Government has gone to a great expense in executing a vast work of irrigation near his estate; but according to my view that very 500 rupees, or most of it, will go, as it unquestionably ought, to Government; for, as the Government will charge the *highest rates* for the water that the cultivators can remuneratively pay, the actual net increase of their profits will be only just such percentage as will offer them a sufficient inducement to prefer taking canal water to letting it alone, and the largest amount that the Maafeedar can possibly get will be only half such small increase. On the other hand, the greater portion of the increased profits of the land, which would otherwise have gone to swell the Maafeedar's rents, will be absorbed in water revenue, *i.e.*, will go to pay a fair interest on the outlay incurred in the work.

18. Generally, too, I assert, that *the zemindars have no right to any share in the total increased profits of the land, where such increase results from canal irrigation, though they have doubtless to a share of such portion of the increased profits as remain in the cultivator's hands after paying our price for water.* Our object, therefore, clearly is to leave only just sufficient extra profits to induce such a number of people to buy our water as shall ensure its total consumption. Maafeedars and zemindars, at best an infinitesimal section of the vast community to whom the property belongs, and who have done nothing deserving exceptional reward, will have their direct profits reduced to the lowest percentage on the out-turn of the undertaking, while the great proportion of the profits will go as they should to the State, *i.e.* to benefit equally, and as it were pay interest to the whole of the vast community whose money has been sunk in the work. On the other hand, according to the Board's (as I conceive erroneous) theory (paragraphs 9-14), a very large proportion of what are really canal profits would go to those individuals who have no sort of claim to such indulgence, while a small portion only in the shape of water rate will be reserved for the community at large, the general shareholders, as it were, in the concern.

19. It is only recently that the Governor General animadverted on the want of financial success that attends the operations of the Ganges Canal, but he was not probably aware that four-fifths of the real profits of the concern were being presented to the cultivators and zemindars. Liberality is a grand attribute in a great Government, but we ought to be just before we are generous, and we ought first to ensure a fair return on the capital of the general public before we devote the proceeds of this capital to enriching one small section of that public. At this moment, in this district, cultivators will make *at least* a net profit of 22 to 24 rupees per acre on wheat irrigated by canal water, when, on wheat irrigated from wells (water from 20 to 40 feet below the surface) they could not *possibly* make more than from 12 to 14 rupees. Hereafter water revenue should absorb at least 6 out of this extra profit of 10 rupees. In the meantime, if anyone says these extraordinary profits will be only temporary, we cannot, in the present imperfect state of the canal, fix at once the highest practical rates. I say well and good, only recognise distinctly the principle above laid down as that upon which water revenue will hereafter be adjusted. Once and for ever banish that misconception of the real nature of the two sources of revenue, which admits parties to share largely in both, who have only a right to share in one, and even if past

errors cannot be corrected, let all future settlements be based on the simple principle of keeping land and water revenue distinct.

20. I have above alluded to the advantages likely to result from the adoption of the above principles, I would now call your attention to some of the disadvantages certain to attend upon their disregard. In the first place though there will always be many noble exceptions; no *body of men* will work as well or as carefully when there is no equitable tangible test of their exertions as when such test exists. I submit that the financial results of the Ganges Canal will never be what they might, until a clear debtor and creditor account is possible in regard to it. This will never be the case unless you keep water revenue distinct from land revenue, and unless you allow the whole returns *from* irrigation to be collected and credited as such. Full justice will never be done to the canal establishments so long as a portion of enhanced profits due to irrigation is mixed up with the land revenue,—1st, because if such commingling is permitted, *one-half*, as above shown, will be absorbed by the zemindars; and, 2nd, because there will always be doubts and disputes as to *what part* of the revenue is really due to the canal. Where, on the other hand, every fraction of realisable extra profits resulting from canal irrigation goes directly as water revenue, and water is sold at the highest market rate by measurement, the *actual* return will be nearly doubled; there will be no more water wasted, here, there, and everywhere, as it is too commonly now; the officers of the department will, each and all, have the most powerful inducement to make the most of their resources, and then with a fair field if they do not (but it is certain they *will*) make the canal pay well, we shall at least be able to blame them consistently, which is scarcely practicable when three-fourths of what they earn is muddled up in what exact proportion nobody knows, and nobody exactly agrees about in a consolidated land revenue. I, myself, have no question that one of the first requisites for the financial success of the Ganges Canal is, that *its whole legitimate receipts* be realised in its name and carried directly to its credit.

21. Another serious disadvantage attending the absorption of a portion of the enhanced profits due to canal irrigation in land revenue is the great complication likely to result in the event of temporary failures of the canal. In all great works, and more especially in those in which grave fundamental errors in construction exist, accidents will occur, and more or less lengthy stoppages result—where water is merely sold at so much per thousand feet, and that price represents the whole available profits from canal irrigation, the matter will be simple. People will only pay for what water they get, and if by the failure to perform such contracts to supply water as they may have at the time, any injury is inflicted, the canal will have to pay damages, and such damages will be fairly chargeable to its debtor and creditor account. But if revenue has been assessed on enhanced profits due to canal irrigation, the question is indefinitely complicated—at all times even under temporary settlements it is a hard thing to obtain sanctions to any remission of revenue, and under the proposed permanent settlement, it will be still more difficult. The new “Durkhast,” or settlement* engagement devised by the Board (*vide* Circular Order, No. 22, of 18th October 1864) binds the zemindars to pay their revenue *WITHOUT EXCUSE for failure of irrigation* or any other cause, and when we bear in mind how complicated an investigation would be necessary in regard to each mehal, we must unhesitatingly admit that with such a settlement agreement the chances of full justice being done in such cases will be but small. To mix up the profits of irrigation with land revenue will, whensoever any failure occurs in the supply of water, result either in great and widely extended injustice, or in an equally widely extended and most laboriously complicated inquiry, and it must be admitted that either alternative affords an undesirable prospect, especially where the Ganges Canal is concerned.

22. Again, when the time comes, as come it must, for the surrender by Government to some private Company of the canal, how infinitely more simple will the transfer be if only the principles above insisted upon be now acted upon, and how entirely do all the difficulties alluded to in paragraphs 16, 17, 21, and 26 of the Board's above quoted letter vanish.

23. It may be urged that many of the evils pointed out might be obviated by making a double settlement, one of ordinary and the other of extraordinary land revenue—the latter to be credited yearly to the canal to be remitted at once on a failure in the supply of water, and the collection of which would be hereafter made over to the private purchasers of the canal; but independent of the other difficulties and disadvantages of such a scheme (the Board admit, paragraph 30, that it would be scarcely practicable), it involves this one great paramount objection, *that by recognising as assets on which land revenue may be assessed, profits that are really water revenue, you really make a present† of one-half of these profits, which belong to the whole empire, to some few hundred zemindars of a single province.*

24. The

* This appears to me an inequitable document. If you increase a man's rent on the ground of affording him a special advantage, it is not right, because you are very powerful, and he *must* do what you please, to extort from him a written engagement that he will year by year pay that increased rent, notwithstanding that such special advantage be withdrawn.

† So long as you absorb the largest possible proportion of these profits in water revenue by making people pay the highest price they can possibly afford for water, so long you keep these profits for the State, in fact, for the whole community; but directly you charge a very low rate for water and set aside the large extra profits (set free by your reduction of rates) as assets on which land revenue is calculable, that moment you are compelled by the revenue system to relinquish half such extra profits in favour of the zemindar of the mehal. In fact, the State has to pay a heavy penalty for calling things by *wrong* names, and designating what is *water revenue* as assets on which land revenue may be assessed.

24. The Colabas, &c., for which on some canals the ryots have paid, present, it appears to me, no difficulty. The State will purchase them at a fair valuation, and then proceed to raise their rates to the highest pitch practically attainable. In all cases starting after a year's previous notice with rates that it was unknown were remunerative, I should from time to time, after a year's previous notice, enhance them 5 or 10 per cent. at a time until the limit was reached beyond which it was difficult to get the whole available supply utilised. Although I would not allow of differential rates with reference to the crop proposed to be grown, I would permit differential rates with reference to locality. Thus, if in districts A, B, and C, where wells average 40 feet deep, and it therefore pays people to buy water at 4 rupees per 1,000 cubic feet, I could dispose of all my water, I would not let anyone have it anywhere else cheaper; but if these three districts could only take half, I would let the remaining half go in districts D, E, and F, where well water is only 20 feet below the surface, at Rs. 2. 8. per 1,000, the said Rs. 2. 8. being the highest that the cultivators could there afford to pay for it.

25. Your letter only reached me this morning, and, as I hear there is to be a conference on this subject on the 11th, my letter must go to-night. I have, therefore, necessarily had no time to do justice to the subject or elaborate the various details that would have added weight to my argument. I have written hastily and I fear ill, but I have yet, I hope, succeeded in putting clearly before you, for his Honour the Lieutenant Governor's consideration, my view that—

Enhanced profits of cultivation derivable from canal irrigation are not, as a whole, assets on which land revenue ought to be assessed. The State, on behalf of the general public, whose money has been sunk in the construction of the work, will absorb as water revenue the largest practicable portion of such profits, by selling water at the highest price compatible with its entire utilisation. Such small extra profits as remain unabsorbed by the price of water may form the basis of an increase of rent on the part of the proprietor; but will, when the canal is properly managed, be too insignificant, and are of too fluctuating a nature to form a basis for the assessment of jumma.

I have, &c.
(signed) A. O. Hume, Collector.

P.S.—The Board, in paragraph 30, remark that “a railway or trunk road no doubt tends to raise the rental and the land revenue in the vicinity, but makes no claim to have a part of the enhancement credited to it,” and thence argue that *similarly* the canal has no claim to have the full amount of its earnings credited to it. The cases are, however, widely different. As to the trunk road, it is difficult to understand how it could have been cited as a case in point; no debtor and creditor account is maintained for a trunk road, it is not expected to pay its expenses, and it presents no parallel to the canal. To make the cases analagous, we must suppose tolls imposed everywhere, and the road expected to pay all expenses; we must then suppose the toll rate to be fixed by Government at a limit *much* below that which the requirements of traffic would permit of, without serious diminution of the latter. Lastly, we must suppose the revenue authorities saying to the zemindars, “It costs you only so much to take your corn to market; the tolls are so low they leave you such and such profits, and these, like all other village profits, are assets on which land revenue are to be calculated.” Here, then, we have a parallel case, and I apprehend that in such a case, despite the “grateful acknowledgments” of the Board, the trunk road managers would say, “either let us raise our tolls to the full limit that the traffic will bear, or don't expect us to pay our expenses; don't find fault with us for financial mismanagement, and yet let three-fourths of what we ought to, and might, earn, be absorbed by village proprietors and the revenue authorities; these profits are, or ought to be, road revenue; they *are* not, and therefore ought not to be, credited as land revenue.” And the same precisely holds good in the case of the Railway.

(signed) A. O. Hume.

From *W. C. Plowden*, Esq., Secretary to the Sudder Board of Revenue, North Western Provinces, to Lieutenant Colonel *C. J. Hodgson*, Secretary to the Government of the North Western Provinces, Public Works Department.—No. 101, dated Allahabad, the 15th February 1865.

THE replies which were furnished at the conference at Agra to the questions propounded by his Honor the Lieutenant Governor, relative to the permanent settlement of the land revenue, as affected by canal water rent, having, under his Honor's verbal instructions, been made over to the Board, in order to their re-submission with the Board's opinion thereon, I am directed to submit the minutes which the members have recorded, together with original replies,* submitted at Agra, and of revised answers subsequently furnished by Messrs. Hume and Wynne.

Present:
R. Money, Esq.
Member; and A.
Shakespeare, Esq.,
Officiating Member.

* Copies kept for office record.

MINUTE by *R. Money*, Esq., Member, Sudder Board of Revenue, North Western Provinces, on the Permanent Land Revenue Settlement, in connection with Canal Water Rent, dated the 13th February 1865.

ON the 13th ultimo I attended a conference convened at Agra by his Honor the Lieutenant Governor, to discuss the question of the permanent settlement of the North-Western Provinces in its relation to canal irrigation.

The officers who were present expressed their views verbally, but arrived at no unanimous decision, and his Honour therefore propounded the seven following questions, to which we were desired to furnish written answers on the next afternoon. The 8th question was subsequently sent to the members of the conference, but I accidentally failed to receive it.

QUESTIONS.

1. How far does canal water rate affect the rent of the landlord?
2. Whether in assessing land for the permanent settlement it is incumbent on the Government to assess irrespective of canal irrigation or upon existing assets?
3. If the former, then on dry rates, or on the supposed capabilities of the soil, or how?
4. If upon existing assets, then on a *surasuree* or average rate, or on the actual *jumabundee*?
5. Whether the permanent settlement should not be deferred till the completion of the repairs of the Ganges Canal?
6. Whether any portion of the land revenue can fairly be credited to the Canal Department?
7. If a settlement be made on existing assets, of which a portion is derivable from canal irrigation, should the assessment on this portion be made separately from the assessment on the assets which may be held to be independent of canal irrigation?
8. How would you make the permanent settlement if the canal were made over to or were the property of a private company?

Answers to the questions were furnished by the following officers:

R. Money, Member, Sudder Board of Revenue.	
A. Shakespear, Officiating ditto.	
J. H. Batten, Commissioner of Agra.	
F. Williams, Commissioner of Meerut.	
W. A. Forbes, Collector of Meerut.	
C. H. T. Crosthwaite, Assistant Settlement Officer, Meerut.	} Jointly.
S. N. Martin, Collector of Moozuffernuggur.	
A. O. Hume, Collector of Etawah.	
H. D. Robertson, Collector of Saharanpore.	
R. G. Currie, Assistant Settlement Officer, Boolundshuhur.	
H. Le Poer Wynne, Assistant Settlement Officer, Saharanpore.	

The several answers have since been sent to me in accordance with the verbal instructions of the Lieutenant Governor, in view to their re-submission, with an expression of the Board's opinion on the general question. I have also been furnished with copy of a letter No. 16, dated 19th ultimo, from Mr. A. O. Hume, to the Address of the Secretary to the Government, North Western Provinces, Public Works Department, and copy of a note by Mr. S. N. Martin, dated 10th ultimo.

After having given to these several papers my most careful consideration, whilst I retain unchanged the views which I have always entertained in relation to the financial requirements of the permanent settlement, and the necessity to make provision for the equability of its incidence, I am compelled to modify in some degree the opinions which I have heretofore recorded on the means of securing those important objects.

In my note dated 30th March 1864, on the Governor General's Minute on Permanent Settlement, I observed that, "increased productiveness from canal irrigation does appear to me to constitute a stronger ground of claim to participation than enhanced profits from the opening up of railway or any other circumstance of general progress and development, inasmuch as the canal is constructed by Government for the express purpose of increasing the productiveness of lands irrigated by it. On the analogy of the provisions for the enhancement of rent, the Government would apparently have as much right to demand increased revenue as the zemindar to demand increased rent due to improvements effected independently of the action of the zemindar in the one case, and of the ryot in the other.

"Whether it would be more expedient to relinquish now and for ever all claim to participate in the increased assets which will be derived from the spread of canal irrigation than to defer the fixing in perpetuity of a settlement on existing assets, is a question which involves a material difficulty. General equability of assessment is admitted to be an essential condition of a permanent settlement. Those lands which have already benefited by the

the action of the canal have been, or will be, assessed with direct reference to their enhanced productiveness. Other lands, of which it may be certainly predicated that they will be subjected to the action of the canal ere many years have elapsed, will, in the ordinary course of the approaching settlement, be assessed as unirrigated; the assessment would be declared permanent, and so soon as those lands were reached by the canal, the equality of the assessment would be destroyed. There appears to me to be a certain inconsistency in denying a permanent settlement on existing assets to an estate of which the rental might in the course of years be probably doubled by the reclamation of culturable waste land, whilst it is conceded to another of which the assets may in a shorter time be quadrupled by the action of the canal. Might not estates of this nature be held to be excluded from immediate settlement in perpetuity, in the terms of the despatch of the Secretary of State, as estates which do not yield to the public treasury a return commensurate with their prospective capabilities?"

In a note dated 2nd May last, on Mr. Currie's pamphlet on permanent settlement, I remark that "the principle which he advocates, namely, that the assessment of the land revenue should be made quite independently of the action of canals, is very sound. The difficulty is to carry that principle into practice.

"A settlement made on that principle, combined with the condition that all who made use of canal water provided by the State should be liable for payment of its fair market value, would secure the immediate rights and interests of Government in relation to the present status of the country as effectively as a land revenue settlement, which should take into account the increased assets produced by canal irrigation; while prospectively it would insure the participation of the State in the enhanced profits due to the direct action of Government in the conveyance of water to portions of the country which have been hitherto solely dependent on the periodical rains or limited local means of artificial irrigation.

"That participation to which the State is justly entitled would be barred by an immediate and unconditional perpetuation of the settlement on existing assets, unaccompanied by any arrangement for assessing the enhanced profits of estates which might, subsequently to the settlement, be brought within the range of canal irrigation.

"Equableness of assessment is one of the most essential conditions of a good settlement. If the land tax falls more heavily on one estate than on another, the assessment is unfair.

"The principle which I would advocate is, that the land revenue demand against each estate should be the amount which would be fairly assessable if the estate had not received or were deprived of canal irrigation. In all those parts of the country to which canal water has not yet been conveyed, the settlement would be made under the rules now in force, on a due consideration of the circumstances of each particular estate. The settlement officer should discriminate between advantageous circumstances which are obviously, or in all human probability, of a permanent nature, and such as are fluctuating or may be only of temporary continuance."

"The jummas of estates which receive canal irrigation, and which have come under settlement, might now be revised. The portion that would be fairly demandable, independently of the canal, might be declared the land revenue; and the proprietors should contract for the payment of the remainder as a canal tax, subject to such conditions as might be hereafter determined. The last-named amount might be consolidated with the aggregate of the water rates now payable, and the whole contracted for by the lumberdars.

At the same time when I made the above suggestions I held the belief, which I am now satisfied is incorrect, that the Government could not, otherwise than by a land revenue, or *quasi* land revenue assessment, obtain that share, to which the State is fairly entitled, of a portion of the profits derivable by the landlord from canal irrigation, independently of any water rate that might be realisable. The whole subject of canal water rates is very ably argued by Mr. Hume in his letter referred to above. He has clearly demonstrated, and on general commercial principles it is obvious, that the entire of the share of the profits of the canal, to which the State could justly lay claim, might be obtained by selling the water at the highest price that it will command in the market; and in its capacity of administrator of the property of the State, it is the bounden duty of the Government, in justice to the tax-paying community at large, to obtain a maximum return for an investment made at the expense of that community, instead of allowing an exorbitant share of the profits to be monopolised by a numerically insignificant section of it.

Mr. Hume forcibly observes* that "by recognising as assets on which land revenue may be assessed, profits that are really water revenue, you really make a present of one-half of these profits which belong to the whole empire to some few hundred zemindars of a single province."

The following remarks by the same officer, on the general question, deserve to be transcribed:—

"The receipts from villages into which canal irrigation has been introduced should consist of two items only—

"1st. Land Revenue.

"2nd. Water Revenue.

"The first, enjoyed by Government in their general capacity of manager of State property, the second, as directors for the time being of a commercial undertaking, in which public money is invested. See now how vitally important to the public interests is this distinction.

Take the case of the Maafee village put by the Board in their 13th paragraph. According to *their* view of the case, a Maafeedar who has no earthly claim, except to his 1,500 rupees, is to receive a bonus of 500 rupees a year, *because* the Government has gone to a great expense in executing a vast work of irrigation near his estate; but, according to my view, that very 500 rupees, or most of it, will go, as it unquestionably enough ought, to Government; for, as the Government will charge the highest rates for the water that the cultivators can remuneratively pay, the actual net increase of their profits will be only such per-centage as will offer them a sufficient inducement to prefer taking canal water to letting it alone, and the largest amount that the Maafeedar can possibly get will be only half such small increase. On the other hand, the greater portion of the increased profits of the land which would otherwise have gone to swell the Maafeedar's rents will be absorbed in water revenue; *i.e.*, will go to pay a fair interest on the outlay incurred in the work. Generally, too, I assert that the zemindars have no right to any share in the total increased profits of the land, where such increase results from canal irrigation, though they have, doubtless, to a share of such portion of the increased profits as remains in the cultivator's hands *after* paying our price for water. Our object, therefore, clearly is to leave only just sufficient extra profits to induce such a number of people to buy our water as shall insure its total consumption. Maafeedars and zemindars, at best an infinitesimal section of the vast community to whom the property belongs, and who have done nothing deserving exceptional reward, will have their direct profits reduced to the lowest per-centage on the out-turn of the undertaking, while the great proportion of the profits will go, as they should, to the State, *i.e.*, to benefit equally, and, as it were, pay interest to the whole of the vast community whose money has been sunk in the work. On the other hand, according to the Board's (as I conceive erroneous) theory (paragraphs 9-14), a very large proportion of what are really canal profits would go to these individuals who have no sort of claim to such indulgence, while a small portion only, in the shape of water-rate, will be reserved for the community at large, the general shareholders as it were in the concern."

Assuming that the equity and the political expediency of the above propositions will be admitted, it appears to me to follow as a necessary consequence that permanent settlement of the land revenue should be made exclusively of all such increased assets as are attributable to, and *solely dependent on*, canal irrigation.

The two questions of the manner in which the permanent settlement should be effected, and of the system on which the canal should be administered, are so intimately connected, and re-act on each other in such various ways, that they cannot be separately considered. Every argument that can be adduced in favour of a settlement that should exclude all account of canal assets, affords an additional ground for severing all connection between the land revenue and the canal revenue; while every claim to free and unfettered management, and arbitrary distribution of the water, in view only of obtaining the largest returns, and without reference to any local effects of their measures on the land revenue demand, that might be urged by a private company to whom the canal had been transferred, affords an argument in favour of a completely separate land revenue assessment.

The permanent land revenue settlement should be made entirely exclusive of canal assets; because—

1st. An essential condition of a good settlement is that it should be equable, and there will be no equality if those estates which now enjoy canal irrigation, and those to which canal water has not yet been, but may be hereafter conveyed, are similarly assessed on existing assets.

2nd. In all those estates now irrigated from the canal, and in which no substitute for canal irrigation could be obtained, a settlement on existing assets could be only nominally permanent; for it must break down if the canal were to fail, or if the supply of water were to be diverted.

3rd. If the Government bind the zemindars on the one hand to pay in perpetuity a revenue assessed partly on canal assets, it is bound on the other hand to insure a perpetual supply of canal water; but this counterpart condition of the contract it cannot, and will not, engage to perform.

4th. If the assessment were to include canal assets, the proprietors would be equitably (if not, as some hold, legally) entitled to claim remission on failure of the canal; and, notwithstanding any enforced stipulation in the contract, a just Government could not ignore such a claim.

5th. An assessment, inclusive of canal assets, would involve the necessity of introducing differential water rates, a measure that would involve serious complications and inconvenience.

6th. The canal can never, under the most favourable circumstances, furnish a supply of water adequate for the irrigation of the whole or even of the greater portion of the culturable lands of the Doab. It will be the duty of the Government to distribute the water to those portions of the country where it is most required; and where the water is most required, there will it command the highest price, but the Government would not be free to make such distribution as would at the same time supply the most urgent need, and yield the largest return, if it involved the necessity of withdrawing the water from estates of which the assessments had been partially based on assets derived from the canal. In other words, the incumbency

incumbency under which the Government lies to utilize to the greatest advantage of the greatest number, the whole of the water that may be available, requires that it should not be fettered by an implied contract to continue the supply to all estates that may have been under canal irrigation at the time of the permanent settlement.

7th. The supply of canal water is uncertain, and in making a permanent settlement, all elements of uncertainty should, as far as possible, be removed.*

8th. If the Government should hereafter desire to divest itself of the management of the canal, the difficulties in the way of effecting a transfer, and the complications which might subsequently ensue, would be immeasurably enhanced by the existence of settlements, nominally of land revenue, but actually embracing a portion of the revenue fairly due to the canal.

9th. The only sound, and the most advantageous, system of canal management, namely, the sale of water, by measure at the highest price that it will command, cannot be generally introduced unless the land revenue settlement be made altogether independently of the canal.

In favour of an assessment on existing assets, it is urged on the other hand that an assessment, based on natural capabilities of soil, will involve a great loss to Government, and will not be compensated by a rise in the price of water. In estates where the water is 30 or 40 feet from the surface, and a well costs from 400 to 500 rupees, although the lands might be classed as possibly irrigable independently of the canal, yet they could be fairly assessed independently of the canal, as unirrigated only, and the difference between such an assessment on natural capabilities, and the assessment on existing assets, would be very considerable. Granted; but I affirm that the profit which would accrue from the sale of the water for its full market value would be very much greater than the difference between the two assessments, inasmuch as it would absorb very nearly the whole of the extra profits derived by the landlord from canal irrigation, whereas the settlement on existing assets could at most reach only one-half of those profits, and in practice much less than one-half; for the settlement officer, in view of the uncertainty of the canal supply, would not venture, in making a perpetual settlement, to include the whole of those assets in his estimate.

Further, it is stated that, notwithstanding any arrangements that proprietors may be induced to enter into, the canal rent will eventually fall on the cultivators, and the demand abandoned by the Government will serve to enrich the proprietors only. Government will abandon no fraction of its demand. The law of supply and demand, the supply being limited in amount and the demand being constant, will eventually necessitate the utilisation of the whole of the available water at its highest market value, leaving to the consumers a minimum of profit, which minimum will by mutual agreement be shared between proprietors and cultivators; should any cultivators find themselves debarred from obtaining a share of the small profit, they will refuse to take the water, and others who will take it will be forthcoming.

The advocates of an indiscriminate assessment on existing assets urge that settlement officers cannot be trusted to lay down distinctly the amount of assets that are solely due to the canal, and that there would be great danger of tampering with the land revenue on theoretical grounds or guess-work. Whatever may be the nature of the arrangements to be hereafter made for the realisation of the water rent, expediency and equity require that there should be a distinct and *bonâ fide* separate settlement of the land revenue on natural capabilities, and therefore settlement officers *must* be trusted. Messrs. Currie and Wynne have ably described the manner in which such a settlement may be made, and the difficulties to be overcome are not much greater than those which attend the determination of an ordinary assessment. We cannot expect perfection or insure infallibility; here and there there may be errors of over-assessment and of under-assessment; but our settlement officers are experienced, able, and trustworthy, and such errors will be the exception, not the rule; they equally occur in the best settlements professing to be made on existing assets. Errors of over-assessment will necessarily be brought to light in the course of time, and in accordance with the invariable practice of our administration, relief will be granted to parties who may be thereto clearly entitled. Any loss of revenue that may be entailed by under-assessment will be compensated a hundredfold by the increase of canal revenue under the separate system.

The evils of the inclusive system, its obvious injustice, and the grave complications which it involves, being admitted, it is a weak argument to urge that those evils should be perpetuated in every canal-irrigated estate that may come under settlement, because it is possible that exceptional errors may occur in the general application of the only possible remedy that can be afforded.

Mr. Crosthwaite has suggested a plan of canal rate to be paid by the landlord; but such rate, to be equitable, and at the same time adequate, must be infinitely variable, namely, with an infinity of gradations between the maximum rate that might be demanded

* On this subject Mr. Wynne has recorded the following sensible remarks, in which I entirely concur:—
“ There are undoubtedly other elements of uncertainty in all assessments; droughts, murrain, depopulation, &c., &c. But apart from the fact that this element of uncertainty is out of all proportion greater than the others (the experience of centuries teaching us that the general average of seasons continues pretty much the same, and that an exceptionally bad season is compensated by an exceptionally good one), apart from this, it is contended that it is a positive duty to reduce the elements of uncertainty to a minimum, and that while we cannot remove the *other* elements, *this* one we can, and therefore should, remove.”

manded from an estate that could and would receive no irrigation whatever if deprived of the canal supply, and the minimum, or no rate at all, that should be demanded from one which had been, and again might be, completely irrigated from sources independent of the canal, and in which the landlord had derived no increased assets from canal irrigation.

His Honour the Lieutenant Governor suggested to me verbally that an admirable opportunity for testing the fairness of assessments made independently of canal assets would be afforded by the expected closing of the canal for the purpose of repairs, and that there was apparently no reason why the Government sanction to the permanent settlement should not be deferred till the test should have been applied, and the effect of the stoppage ascertained. In this acute and valuable suggestion I entirely concur. Due notice of the stoppage should of course be given to all concerned before the commencement of the agricultural season, that cultivators may be enabled to determine beforehand what lands they will take up for khureef sowings, and what leave fallow for the rubbee. Lands that might be left for the spring crops only, if the canal could be depended on, would be used for the khureef if irrigation from wells, or otherwise, were impracticable. Due time should also be allowed for wells to be sunk wherever they might be required.

In the 24th paragraph of the orders of the Government of India, dated 8th June last, No. 544, it is stated that where canal "irrigation is already enjoyed, to change the practice of assessment might cause a needless loss of revenue, and would involve much trouble. Therefore the case of estates receiving irrigation from canals subsequent to permanent settlement need alone be considered, and for this it is prescribed by the Governor General in Council that revised canal rates shall be imposed by the Canal Department, such as will not be unequal to the total demand on lands similarly irrigated prior to permanent settlement. In this manner future inequality of assessment will be prevented, and the fair market value be obtained for water supplied from the canals."

Some of the principal objections to the assessment of canal irrigated estates on existing assets have already been stated. An immediate but not a serious loss of revenue will necessarily be occasioned by a settlement on natural capabilities, but the loss will be only temporary, and will be much more than compensated by the enhancement of canal revenue, which would be precluded by an assessment on existing assets. As the settlement is to be in perpetuity, perhaps the amount of extra trouble that would be involved by making it in the most unexceptionable manner, does not deserve much consideration. But the difficulties and complications that would follow the introduction of different rates would be endless.

Mr. Currie observes that the system, if properly carried out, "will, in many instances, be in force in one and the same village, and on one and the same irrigating channel in that village;" and further that if it is adopted, "the complication will be so gigantic as to swamp the revenue and civil courts of the district, and very probably to necessitate the deputation of special officers for the mere decision of cases consequent upon the introduction of differential rates."

Mr. Hume observes:—"I am aware that it has been proposed to counteract this inequality by differential water rates, making land not assessed at the permanent settlement, as under canal irrigation, pay a higher water rent than land so assessed; but plausible as this device appears in theory, all practical officers in these provinces agree that this scheme is hopelessly impracticable. You would have not only lands in adjoining villages, but lands in the same village, paying different water rates, and thus a door opened to almost indefinite extortion and corruption on the part of the subordinate canal or revenue establishments. Moreover, as the particular lands irrigated each year vary from year to year, it would be impossible to ascertain or decide which should pay the one—which the other rate. It will be contended that if in any village at settlement, 600 acres were irrigated, and in a future year 659 were found irrigated, the higher rate should be charged on 59. Agreed; but which 59? After an elaborate judicial inquiry (necessary every year in every village) you will find that out of the 600 acres irrigated at settlement, only perhaps 300 are still irrigated, 300 of those which were irrigated at settlement having gone under dry cultivation, and 359 then dry having been brought under irrigation. How is it possible to decide equitably which 59 out of the 359 are to pay a double water rate, and which particular cultivator (paying, of course, the same rent as his fellows, and this is a practice unavoidable) is to pay double rates on his land? Conceive only the endless confusion and litigation to which this proposal would lead. Practically the thing is impossible."

A "Memorandum on Canal Irrigation in connection with the permanent settlement" drawn up by Mr. Macrone, at the request of the late Colonel Turnbull, strongly represents the hopelessness of maintaining a permanent and unalterable supply of canal water. The writer supports his statements by the authority of Sir Proby Cautley and the late Colonel Baird Smith, and after enumerating the obvious objections to a settlement on existing assets, concludes with the remark that "the permanent assessment being for all time, should be based upon conditions not liable to change, amongst which artificial irrigation is assuredly not one. And unless this question of irrigation be entirely eliminated from the consideration of the permanent assessment, it is impossible that justice can result to the people, or satisfaction to the Government."

In a memorandum on the assessment of profits due to canal irrigation, appended to his replies to the questions proposed at the conference, Mr. Wynne has very carefully and shrewdly detailed the difficulties and complications in which landlords would be involved in the endeavour to adjust the rents of ryots in estates to which the differential rates had been made applicable. The more the subject is considered, and in whatever aspect, the more the difficulties in the way of carrying out the proposed system of assessment on existing assets, combined

combined with a prospective demand of enhanced water rates, appear to multiply upon us, and it appears to me that it must be abandoned.

The only argument that can be advanced in favour of the measure is, that serious loss would be entailed by an independent assessment, but I think it has been shown that this loss would be only temporary, and would be much more than compensated by the introduction of an efficient system of canal management—a grand desideratum of which the accomplishment would be for all time precluded by a permanent settlement, based partly on assets derived from the canal.

Even the immediate loss which is apprehended has, I believe, been over-estimated. Throughout the Saharunpore district the water is so near to the surface that it is very questionable whether the assets now obtained from canal irrigation are in any degree in excess of those which might be derived from the natural capabilities of the soil, and there are strong grounds for believing that it will be hereafter found expedient to withdraw the entire canal supply from this district in view of conveying the water to regions which must otherwise remain dry, where the water would be much more valuable, and would necessarily yield a much larger return.

Mr. Currie has found, by the most careful calculations, that the difference in the Boolundshuhur district between assessments inclusive and exclusive of canal assets would be only 38,000 rupees.

Mr. Martin, who advocates a settlement on existing assets, has estimated the loss in the Moozuffernuggur district at 2 lacs; but the apprehension of this loss, or even of a greater temporary deficit, should be allowed no weight in the determination of a question which involves the first principles of justice and of enlightened policy.

(signed) *R. Money*,
Member, Sudder Board of Revenue,
North-Western Provinces.

REPLIES by *R. Money*, Esq., Member of the Sudder Board of Revenue, North-Western Provinces, to the Questions in regard to Permanent Settlement of the Land Revenue as affected by Canal Water Rent.

1. THE ryot has the option of taking water or refusing it. He will not take it unless the value of the increased produce obtained by irrigation exceed the amount of water rate that he is required to pay. The use of canal water can therefore never afford a ground for reduction of the rent payable to the landlord. On the other hand, the landlord will be almost invariably entitled to demand an enhancement of rent under the conditions contained in the ruling of the Sudder Dewanny Adawlut in the case of Kunojee Lal *versus* Rutn Lal, 1st April 1863. The amount of water rate paid by the ryot will be deducted from the increment of the gross proceeds, and the landlord will be entitled to claim an enhancement of rent proportioned to the net increase of produce. The rent may be affected to the landlord's benefit by the substitution, in consequence of irrigation, of superior for inferior kinds of crops.

2. I have not time to recapitulate the arguments that have been advanced in favour of either course, and can therefore only state briefly my opinion, which is, that the exclusion of the assets due to canal irrigation would involve so large a loss of revenue that it is incumbent on the Government to make the settlement on existing assets (connected with this question, see further remarks in answer to Question 7).

3. In either case the settlement should be made on the supposed or ascertained capabilities of the soil; viz., if on existing assets, on the total rent now realised by the landlord; or, if the assessment be made independently of the assets due to canal irrigation, it should be on the total rent that the landlord would realize if the supply of canal water were entirely cut off.

4. With certain modifications the settlement would be invariably made on the actual jumabundee if this could be ascertained, but the settlement procedure requires that the assessment should precede the ascertainment and record of the rent-roll. It would not be possible to obtain a correct rent-roll if the landlord were aware that it would form the basis of the assessment of his estate. Average rates alone are not sufficient for the determination of a juma, because the conditions which affect the rent-rolls of estates are so numerous and variable that it is not possible to fix an average rate which shall be generally applicable. Each estate must be settled with special reference to its individual capabilities. General averages are very useful for the purpose of comparison. By directing attention to marked variations they may often enable the settlement officer to detect errors in his estimates of actual assets on which the settlements are professedly made. The lands of two estates may be precisely similar both in quality and extent, but it will not necessarily follow that their jumas will be equal, or will fall at the same rate either on the cultivation or the malgoozaree. If the jumas were equal, they would, under the supposed conditions, necessarily fall at the same rate on the malgoozaree; but if one estate had reached the utmost limit of cultivation, the settlement officer would be justified in making the settlement at less than half assets, with reference to the exceptional heaviness of the rate at which a full settlement would fall on the malgoozaree, and to admit of the normal proportion of land being allowed to lie fallow. If the other estate were only partially or insufficiently cultivated, the settle-

ment would be made at more than half assets; the rate on the cultivation being exceptionally high with reference to the lightness of its fall on the malgoozaree. In every instance the settlement officer will endeavour to ascertain the actual assets, and will make his assessment thereon, with any modifications that may be due to capacity for further improvement or the reverse, or to any peculiar circumstances affecting the estate.

5. I would not defer the permanent settlement. Remissions may be granted on special reports in all instances where serious loss may be incurred by the stoppage of the canal.

6. No portion of the land revenue should be separately credited in account to the canal department. The canal will of course take credit for all that is realised in the shape of water rate; but suppose the canal were sold by the Government to a company, the purchasers could not claim any portion of the enhanced revenue which had resulted from the canal irrigation. If such claim were admitted, the Government might hereafter with equal reason admit a claim of the Jubbulpore Railway to a portion of the increased revenue which will certainly be obtained from the Central Provinces, when an easy outlet is afforded for the surplus produce which cannot now be exported. Rents will then be enhanced, and enhancement of revenue will necessarily follow. This enhancement will be due to the railway, but the railway must be satisfied with its carrying charges, as the canal with its water rates.

7. I would advocate the division of the juma of every canal irrigated estate into ordinary land revenue, and revenue due to canal irrigation. Remission of the latter portion would be claimable on the failure or stoppage of the canal. I regard as fallacious the argument that such a provision would affect the permanency of the settlement. If the settlement is to be made on existing assets, and I understand the resolution of the Viceroy to provide that it shall be so made, the permanence of the settlement must be contingent on the maintenance of the canal. Notwithstanding any engagements that might be entered into for the payment in perpetuity of a juma assessed on existing assets, such juma must be reduced if the canal were to fail. The settlement would be actually permanent only in name, while it would be virtually a settlement subject to modification in the possible event of the stoppage of irrigation. By the other arrangement we should honestly admit the settlement to be what it necessarily must and will be, and should avoid the difficulty of obtaining the unconditional engagement of one party to the stipulations of a contract of which all the conditions, expressed or understood, are not held to be binding on the other. The Government would bind the zemindar to pay in perpetuity a revenue which could only be paid in the event of the canal being maintained, but would not on its own part at the same time guarantee the maintenance of the canal.

Allahabad, 14 January 1865.

(signed) *R. Money*, Member.

MINUTE by *A. Shakespear*, Esq., Officiating Member of the Board of Revenue, North Western Provinces, on the Permanent Land Revenue Settlement in connection with canal water rent, dated 14th February 1865.

HAVING now had before me and carefully considered all the arguments which have been brought forward on this subject by officers of the settlement department and by others of great experience, together with the clear and impartial review to which my colleague has subjected them, I have arrived at the same conclusion that Mr. Money has, viz., that the permanent settlement should be made exclusive of all such increased assets as are attributable to, and solely dependent on, canal irrigation; and that the Government should raise its canal revenue on the principles so ably propounded by Mr. Hume in his letter of the 19th ultimo, addressed to the Secretary to Government, North Western Provinces, in the Public Works Department.

I had hoped that so radical a change as this might have been avoided, but I am now satisfied that the difficulties connected with the uncertainty of the supply from the canal, and the serious complications which would arise from differential water rates, are insurmountable, except under a system which shall make the permanent land revenue settlement on the ascertained capabilities of the soil, and altogether independent of the canal.

(signed) *A. Shakespear*,
Officiating Member.

REPLIES by *A. Shakespear*, Esq., Officiating Member of the Board of Revenue, North Western Provinces, to the Questions in regard to Permanent Settlement of the Land Revenue as affected by canal water rent.

Question.

1. How far does canal water rent practically affect the rate of rent paid to the landlord?

Reply.

The water rent is ordinarily paid by the cultivator, and it stands to reason that the landlord will seek to enhance rents under the law when he finds that the cultivator is making large profits owing to canal irrigation. Enhancement will be made as a matter of course on the increased profits.

2. 1st.—

2. 1st.—Whether in assessing land for permanent settlement it is incumbent on Government to assess irrespectively of canal irrigation or on existing assets ?

2nd.—If the former, then on dry rates or on the supposed capabilities of the soil, or how ?

3rd.—If on existing assets, on a *surrasree* or average rate, or on the actual *jummabundee* ?

3. Whether the permanent settlement should not be deferred until after the completion of repairs of the Ganges Canal ?

4. Whether any amount of land revenue should fairly be credited to the canal ?

5. If a settlement be made on existing assets, of which a portion is derivable from canal irrigation, should the assessment from this portion be made separately from the assessment which may be held to be independent of canal irrigation ?

I would assess on existing assets, for it appears to me that if we abandon this system, we shall be without such data as can be relied on, and such as can be fairly tested. The actual *jummabundee* will afford the safest ground for assessment.

I see no reason for this. The Ganges Canal is admitted to be in a very unsatisfactory state at present, and it is still to be seen how far it is possible to put it into really efficient working order ; or having done so, how far it is possible to keep it up in such a way as shall secure an unfailing supply. My belief is that the canal will be a constant source of trouble, and this only confirms me in my opinion that the land revenue should be determined on existing assets irrespective of it.

I do not think that any credit need be given to the canal in account. The benefits resulting from it have been great, but it is not an unmixed good ; and if the canal department is allowed to levy a higher water rate, there is no reason why it should not realize as large a return as it is entitled to. If the management is good, the water will be freely taken, but I am opposed to making the land revenue in any way dependent on the canal department.

I would object to make separate account for the Ganges Canal in assessing land revenue for permanent settlement.

It would take away the permanent character of the settlement, which it is of such importance to place beyond all doubt.

The suggestion appears to be made in contemplation of a failure or temporary closing of the canal, but the probability or even certainty of such a difficulty would not, I think, require, as in assessing for permanent settlement to separate what is believed to be derivable from canal irrigation from other sources of profit.

In his remarks on canal irrigated villages the settlement officer will of course notice clearly to what extent the village is benefited by the canal, but I would not recommend that at the outset a distinction should be drawn, assessing so much on account of the canal and so much as independent of it. Such a proceeding would undoubtedly lead to the expectation that, in the event of a stoppage of the canal, the whole of the sum thus entered as being obtained through its agency should at once be deducted from the Government demand.

But as it is admitted that in many parts of the country, notwithstanding that canal water is taken, it is not a necessity, and that its place could be readily supplied by irrigation from wells at less cost of money, though with more exertion, it would be out of the question on failure or stoppage of the canal to allow a decrease on the land revenue to the extent of the demand entered as due to the canal.

If the separation in assessment under consideration is not intended to answer the purpose of providing for a ready adjustment of the Government demand, on failure of the canal, by allowing the amount so shown to be absolutely claimable as a remission, I do not see what advantage the plan would possess over the system of assessing on the existing assets, and leaving cases of hardship arising from withdrawal of canal water to be dealt with separately as they occur.

It is certain that in the event of the canal being closed for repairs, consideration would be given to the loss which it would involve, but it does not follow that the remission to be allowed would be represented by the full value of the irrigation now available. In many instances the people would at once revert to their wells, and, as has been noticed in this discussion, in some cases actual advantage would follow from the withdrawal of the canal water.

I see, then, no adequate object to be gained by assessing separately, on account of the canal. On the contrary, the effect would, I think, be unnecessarily to weaken the permanent character of the settlement, and at the same time unsettle the minds of the people.

(signed) A. Shakespear,
Officiating Member.

From R. Simson, Esq., Secretary to the Government of the North-Western Provinces, to W. C. Plowden, Esq., Secretary to the Sudder Board of Revenue, North-Western Provinces (No. 200 A); dated Allahabad, 7th March 1865.

In reply to your letter, No. 101, of the 15th ult., to the address of the Secretary to this Government, in the Public Works Department, I am directed to communicate the following observations:—

2. Accidental circumstances, which are to be regretted, but upon which it is unnecessary here to remark, have delayed the submission of these papers to the Lieutenant-Governor until the present date.

3. The Lieutenant-Governor, I am to observe, considers that it has been clearly shown by the admissions and experience of all the officers present at the conference, that whatever may hereafter occur, landlords' rents have not yet, as a rule, been enhanced in consequence of canal irrigation—that water rents at present fall and must continue to fall upon the cultivator only, and there is therefore no ground for differential rates, because the full market value may and should be taken from all alike—and that the assets dependent upon the canals, which are included in a settlement upon existing assets, are the difference between dry and wet rates over certain areas, and the rents of lands which but for the canal would not be cultivated at all.

4. As regards these assets, it is to be observed that they are not dependent upon high or low rates of water rent, but upon the permanence or otherwise of a canal supply of water, and the question is whether Government is justified in sacrificing revenue the source of which is not indeed permanent, but which may reasonably be expected to be invariable within certain moderate limits, on the ground of the uncertainty of this supply.

5. If the sacrifice is not material, and in Saharunpore, Meerut, and Boolundshuhur, it is said to be very small, there would be little difficulty in assenting to a course which nominally renders the settlement altogether independent of the canals, which is favourable also to moderation of assessment, and which, after all, only places these districts on a footing of equality with those to which the canals have not yet been, but will hereafter be, extended.

6. In Moozuffernuggur, however, the collector, Mr. Martin, reports that the loss to Government will be considerable, and he questions the correctness of the principles upon which the assessments have been made in the Boolundshuhur district.

7. It is, no doubt, comparatively easy and safe to fix the estimated capabilities of the soil at a high figure when the existing assets are equal to or in excess of the assumed rental, and, as remarked by Mr. Martin, there is ground for surprise that in the district of Boolundshuhur the entire difference of assessment due to canal irrigation should be only 38,000 rupees.

8. The accompaniments of the Board's letter of the 15th ultimo have not yet been received, and the Lieutenant-Governor will reserve the final expression of his opinion upon this important question until he has all the papers before him; but he thinks it highly desirable, before Mr. Currie leaves the Boolundshuhur district, and the season for field operations is entirely passed, that Mr. Money should personally inquire into and test a few of the assessments in Boolundshuhur and Moozuffernuggur, and afford the Government the benefit of his opinion as to the practical correctness of the proceedings in either district, and how far the application of Mr. Currie's or Mr. Forbes's system would affect the assessments in the Moozuffernuggur district, and *vice versa*.

9. It can, the Lieutenant Governor thinks, hardly be expected that if the assessment upon existing assets (by which is intended taking estates as they now are) differs from that made irrespective of canal irrigation by a mere nominal amount, the Government will escape being charged by the zemindars with the endeavour to evade the real question by a mere empty change, and it is questionable whether, under such circumstances, it would not be better, whether the assessment is formed upon Mr. Currie's or Mr. Martin's system, to record, as proposed by the latter, that so much is considered dependent upon a fair average supply of canal water; the zemindars themselves being the best judges whether they should accept a permanent settlement upon those terms.

From *W. C. Plowden*, Esq., Secretary to the Board of Revenue, North-Western Provinces, to *R. Simon*, Esq., Secretary to the Government of the North-Western Provinces,—No. 212; dated Allahabad, the 5th April 1865.

I AM directed to report, for the information of his honour the Lieutenant Governor, that in pursuance of the instructions in paragraph 8th of the orders of Government, No. 200 A, dated 7th ult., Mr. Money has visited the districts of Boolundshuhur and Moozuffernuggur, and examined the settlement proceedings of Messrs. Currie and Martin. The result of his inquiries is briefly as follows:—

Present:
R. Money, Esq., senior member, and C. B. Thornhill, Esq., officiating junior member.

2. The district of Boolundshuhur contains 13 pergunnahs, of which six, namely, Shikarpore, Syanuh, Unoopshuhur, Ahar, Debahee, and Jewur, are in no way affected by canal irrigation, and the other seven pergunnahs are more or less irrigated. The following abstract shows the number of irrigated and unirrigated estates with their areas and jummas:—

	Number of Estates.	Area in acres.	Total land Revenue.
			<i>Rs.</i>
Unaffected by Canal - - - -	942	7,46,850	7,58,519
More or less irrigated or irrigable from Canal,	652	4,72,884	5,00,138

Of the 652 villages in the second category, many are only very partially irrigated from the canal, and many not at all, but all are situated within the network of Rajbuhās.

3. Mr. Money carefully examined the grounds of Mr. Currie's assessments of every estate affected by the canal in the pergunnahs of Burrūn, Ugotāh, and Khoorjah, and a sufficient number of those in the remaining four pergunnahs, to satisfy himself as to the general correctness of Mr. Currie's proceedings.

4. Irrigation from masonry and kutchā wells was very extensively practised in the Boolundshuhur district before the canal was constructed, and canal irrigation has, in many instances, only superseded the use of the wells which previously answered the same purpose, and, where this is the case, it has not in any way increased the assets of the landlord. There has been no increase of demand on account of the canal, where the assets have not been increased by its operation, and where there has been no increase of demand on account of the canal, no reduction has been made in the assessment exclusive of the canal, excepting in those cases, and they are rather numerous, where percolation from the canal has so far affected the consistency of the soil that kutchā wells cannot now be sunk.

5. Irrigation from wells is still used in many canal irrigated estates—the canal irrigation being confined to those lands in which kutchā wells will not stand, and where masonry wells have not been constructed. In all these cases, and generally in all cases where other irrigation could not be made available if the canal supply were withdrawn, a fair and adequate allowance has been made in determining the amount of the exclusive assessment.

6. The permanent settlement, exclusive of the canal, corresponds in most cases very nearly with the old demand that was assessed under Regulation IX. 1833, before the canal was in existence, and which was generally moderate; but in several instances the settlement, exclusive of the canal, is less than the former juma. The settlement papers had not been quite completed when Mr. Money left Boolundshuhur, but the total reduction consequent on the exclusion of canal assets may be taken to be 36,000 rupees.

7. A copy of the detailed notes made by Mr. Money in the course of his examination of the Boolundshuhur assessments is appended for his Honor's information.

8. To assist in testing the assessments of Moozuffernuggur, Mr. Money requested the superintending engineer of irrigation, North-Western Provinces, to furnish him with a village statement of the irrigation from the Ganges Canal of any one of the pergunnahs of that district. Captain Glover sent him the required statement for Pergunnah Poor, but it proved of little use, as the calculations for the assessments, exclusive of the canal, had not been completed by Mr. Martin for that pergunnah. The object in view in obtaining the statements was to facilitate a comparison between the amount of irrigation now provided by the canal, and the amount previously derived from other sources; but unfortunately the detailed records of the former settlement have been lost, and there are no means of ascertaining the exact quantity of irrigation that has been superseded by the canal. To make a settlement in Moozuffernuggur independently of canal assets is, therefore, a work of greater difficulty than it is in Boolundshuhur, where the extent of previous irrigation is known.

9. The assessment of the Moozuffernuggur district was in the first instance made, as elsewhere, on existing assets, and in order to determine the portion of those assets that should be attributed exclusively to the canal, Mr. Martin has calculated the area that might

be irrigated independently of the canal, to be that amount only which is susceptible of irrigation from wells now in existence. The calculations made on this principle are obviously inadequate, for it is equally necessary to take into account the amount of irrigation that might be, and certainly would be, obtained from kutchia wells if the supply of canal water were entirely withdrawn.

10. Mr. Martin's assessment, exclusive of the canals, would involve a reduction of about two lacs of rupees in the land revenue demand; and as his calculations have been carefully made, it is probable that a sudden and complete stoppage of the canal without any previous notice would involve an *immediate* loss of assets to the amount of about four lacs of rupees; but it would be contrary to all experience to assume that this loss would be permanent. In all those parts of the district where the water is sufficiently near to the surface, and where the soil is of adequate consistence, kutchia wells would be sunk, and it would be only in those parts where other irrigation is impracticable that the withdrawal of the canal supply would occasion any permanent diminution of the assets.

11. Mr. Martin has been directed to ascertain what facilities there are for irrigation independently of the canals, and, after taking these into consideration, to revise his assessments and fix the demands which might be fairly made payable in perpetuity with reference to the natural capabilities of each estate. A copy of the instructions which have been furnished to him is annexed for his Honor's approval.

12. Mr. Thornton's settlement report shows that canal irrigation alone is practicable in the greater part of the eastern pergunnahs of the district, and here Mr. Martin's calculations will probably prove to have been very correct; but they will require extensive modification in all those estates where irrigation from wells can be easily substituted for that now afforded by the canal, and it may be expected that the estimate of two lacs of rupees will require to be very considerably reduced. The data that are necessary to determine what the amount of reduction should be, have not yet been ascertained.

Note on Moozuffernuggur Settlement, by *R. Money, Esq.*, Senior Member of the Sudder Board of Revenue, North Western Provinces; dated Moozuffernuggur, the 25th March 1865.

I HAVE examined Mr. Martin's settlement proceedings with special reference to his estimates of the portion of juma of canal irrigated estates that should be attributed to canal irrigation, and be remitted if the canal were to be permanently closed, or if the permanent settlement be made irrespectively of the additional assets now derived from the canal. His calculations have been made very elaborately and carefully, but they do not appear to me to fulfil all the requirements of the settlement.

He has given credit for all wells now in existence of which the use has been superseded by canal irrigation, and which might be immediately worked if the canal supply were to be stopped. This, however, in a majority of instances, is not sufficient.

It is sufficient in all cases where, with the sole exception of possible irrigation from masonry wells, an estate is exclusively dependent upon the canal for its irrigation, and this will generally be found to be the case in the sandy portions of the district. It is not intended that the possibility of constructing masonry wells should be taken into account, because, generally, the increased assets derived from the irrigation which they may afford should be regarded as only a fair return for the capital expended in their construction. This rule cannot, however, be applied to masonry wells already in existence. Such wells must be regarded, and have been properly regarded by Mr. Martin, as contributing, or as capable of contributing, to the assets fairly chargeable with land revenue.

The defect in his calculations consists in his having omitted to take into account any existing natural facilities for artificial irrigation.

It is possible that if the supply of canal water were to be suddenly withdrawn without previous notice, the estimates of Mr. Martin would very fairly represent the amount of land revenue proportioned to the immediate loss of assets that would be sustained.

The object, however, is to ascertain and determine the amount of land revenue that might be fairly demanded in perpetuity from an estate deprived altogether and for ever of canal irrigation. To this end it is necessary, in the first instance, to ascertain the depth at which water is found, and, if the water is not at too great a depth, whether the nature of the soil admits of kutchia wells being easily sunk.

Experience teaches us that where kutchia wells can be easily made, they always will be made when required; and in all cases where they can be easily made, the lands should be assumed to be irrigable independently of the canal, notwithstanding they may now have canal irrigation exclusively.

The jummas to be fixed, exclusive of the canal, are not those that might be demanded immediately after a sudden and unexpected stoppage of the canal, but such as would be fairly realisable after a year or two, when the agriculturists should have had time to develop the available sources of artificial irrigation.

It has been found that where the culturable area of an estate is all easily irrigable from wells, the assets are not increased by canal irrigation. There are, on the contrary, many instances where the assets have been diminished. This has generally occurred from lands having become swamped by too abundant a supply of water. Obviously the canal cannot fairly take credit for any large portion of the assets, if the assets have not been increased by its action.

The consistency of the soil has in many estates been affected by percolation from the canal, so that kutchra wells cannot now be sunk where they were formerly made without difficulty. In such cases it is not to be presumed that the former status would be restored on the cessation of canal irrigation, and allowance must be made accordingly.

Irrigation that may be practicable from rivers, jheels, or tanks, is of course to be taken into consideration equally with such as may be obtainable from wells.

Mr. Martin has allowed 22 acres as the amount of land irrigable from a well with one run. This allowance appears to me to be excessive. The correctness of the estimate should be tested.

Very unfortunately, the Nos. II. and III. Statements of the former settlement of this district have been lost, and there is, therefore, no record of the amount of land that was irrigable from wells independently of the canals, or before the advent of the Ganges Canal. Such a record would have been of material assistance to an officer engaged in making the required investigation. Much information must, however, be obtainable from the Canoon-gos and other pergunnah officers, and from the village putwarees, and here and there, in cases of doubt, or by way of experiment, a kutchra well might be dug to ascertain the feasibility of sinking one that will stand. Any cost incurred on this account might be charged against contingencies of the Settlement Department.

This note is given to Mr. Martin, who is requested to revise his proceedings in all cases where revision may appear to be necessary with reference to the above remarks, and he is requested to return the original note after causing a copy to be made for his own use.

(signed) *R. Money*, Senior Member.

Pergunnah.	Village.	Former Juma.	Total proposed Juma.	On account of Canal.	Settlement Officer's Reasons.	REMARKS.
		<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>		
Burrun	Udholee - - -	268	307	32	At time of measurement, entire area was shown as irrigated, but this was excessive. Canal irrigation is uncertain, being all raised, and only taken when wanted; but when taken, it makes the whole area irrigated.	Sufficient.
	Usudoolapore - -	304	303	28	Well irrigation superseded by canals, but wells could still be used, if preferred.	Sufficient.
	Ukberpore - - -	1,493	1,533	258	Irrigation carried on from the canal, the Kalee nuddee, and wells, of which there are a very great number.	Sufficient. The demand would be less than it was before the canal was used.
	Emunpore - - -	587	750	200	Canal irrigation has superseded all other irrigation. The average of three years is 189 acres.	Sufficient.
	Burrun Mehal Bhoor	—	950	100	Temporary wells are still at work in places, and by no means all or nearly all the canal irrigation is new or necessary, but is taken in preference to other irrigation as being cheaper and more expeditious.	Fair.
	Burrun Mehal Buh-leempoorah.	—	725	150	The uncertainty of the canal irrigation has been considered, and a corresponding low juma inclusive of canal irrigation assessed.	Fair.
	Burrun Khas, Mehal resumed rent-free land.	—	2,500	—	Only about one-fifth of the irrigated area is canal irrigated, and that only in lieu of well irrigation; and if there was no canal, those lands would still be irrigated.	Fair.
	Burrun, Mehal Wu-leepoorah.	—	550	65	Canal and well irrigation nearly equal, but by no means all the canal irrigation is recent. However, without the canal, the average amount of irrigation would not be so large.	Fair.

Pergunnah.	Village.	Former Juma.	Total proposed Juma.	On account of Canal.	Settlement Officer's Reasons.	REMARKS.
		Rs.	Rs.	Rs.		
Burran	Bursendwah - -	675	700	100	Average canal irrigation for two years, 166 acres. In the third year none at all.	Ample.
	Bhasolee - - -	756	1,125	175	Average canal irrigation, 79 acres	Three hundred and sixty-four acres irrigated. Ample.
	Bhutoluh Hajepore -	733	650	225	Canal irrigation has quite superseded temporary wells that previously existed, and they are no longer constructable.	Ample.
	Panchotah - -	648	716	-	Had canal irrigation when settled by Mr. Charles Currie. Has none now.	Fair.
	Jalkhera - - -	1,050	1,176	126	Irrigation both from masonry wells and the canal.	Fair. The juma would be reduced to the former amount.
	Chandpore - -	936	954	54	Twenty-one kucha wells at work, 72 acres on an average irrigated from canal.	Fair.
	Hatimabad - -	175	175	15	Irrigation from six puckah wells, and lands partly irrigated by canal.	Fair.
	Duryapore - -	2,269	1,250	100	Half the area irrigable by canal, but the canal returns show an average of only 133 acres. Seven masonry and several temporary wells.	Fair.
	Doodoopore - -	601	720	70	There is room for improvement, 110 acres irrigated from canal.	Sufficient.
	Dostpore - -	775	800	-	Three masonry wells with eight laos, and four temporary wells with 8 laos. There was no canal irrigation when the measurements were made, and too little now to render a decrease necessary.	Fair.
	Dhumroulee - -	1,104	1,225	125	Three masonry and 18 temporary wells. Canal irrigation averaging rather under 100 acres.	Fair.
	Dhenwuree Edulpore	1,125	1,200	100	There were only five acres of canal irrigation when Mr. Charles Currie made the assessment, and the nikasee had been as high as 2,395.	The assessment would not be too high irrespective of the canal. The allowance is ample.
	Sunerah $\frac{3}{4}$ - -	494	440	65	Formerly there were plenty of wells, but they now fall in, and are expensive. The demand has been reduced.	Allowance ample.
	Sunerah $\frac{1}{2}$ - -	197	225	50	Rent rolls average 450 - - -	Ditto.
	Sutaree - - -	635	700	125	Assets increased by canal irrigation. The previous demand, irrespective of the canal, was rather heavy.	Both ways the demand is moderate.
	Subdulpore - -	855	1,023	123	Irrigation from masonry and temporary wells, as also from the canal.	Allowance sufficient.
	Uleepore Gujaree -	267	650	200	About one-half the area irrigated from the canal, otherwise no irrigation.	Fair. The rate, inclusive of the canal, is under Rs. 2 on the cultivation.
	Ghyaspore - -	861	850	150	Canal irrigation has partially superseded well irrigation.	Fair.
	Futtehpore Buzoorg -	341	511	61	Canal irrigation has not sensibly increased the irrigated area.	Fair.
	Kairuh - - -	1,505	1,505	105	Four masonry wells working five laos, besides temporary wells. Canal returns show an average amount of 169 acres, the total irrigation being 492.	Fair.
	Kiryaolee - -	383	460	100	There were many temporary wells, but they have fallen in.	Fair.
	Kurbur Bunarus -	1,050	1,075	75	Irrigation both from the canal and from wells.	May be sufficient, as after the reduction the demand would be less than that of the former settlement.

Pergunnah.	Village.		Former Juma.	Total proposed Juma.	On account of Canal.	Settlement Officer's Reasons.	REMARKS.
			Rs.	Rs.	Rs.		
Burrun	Kumalpore	- -	1,271	1,212	112	Village was assessed by Mr. Charles Currie at 1,212, exclusive of cesses.	Fair.
	Koraluh	- -	836	1,000	-	Little canal irrigation, and that uncertain.	The assessment is moderate.
	Korolee	- -	258	409	134	Average canal irrigation, 92 acres	Fair.
	Kolsenuh	- -	812	818	118	Irrigated area increased 75 or 80 acres by canal.	Fair.
	Kythruh	- -	603	725	75	Total irrigation 272 acres. Canal irrigation averages 100.	Fair.
	Gungerwah	- -	1,040	1,069	69	Masonry and temporary wells with 16 laos.	The reduction would bring the juma below the demand of the former settlement. It is sufficient.
	Mamun Khoord	-	967	800	100	Amount of irrigation not much increased by canal.	Fair.
	Mamun Kulan	-	1,000	818	218	Since the introduction of the canal, wells cannot be constructed; and the canal supply is uncertain.	Fair.
	Muchkowlee	- -	418	450	-	Canal returns show an average of only 32 acres, and the assets are not thereby affected, as there is ample irrigation from wells.	No necessity for any allowance.
	Moortuzabad	- -	1,202	1,534	134	The amount of canal irrigation fluctuates much, the average being 160 acres.— Total irrigation, 662.	Sufficient.
	Murghoobpore	-	314	332	75	- - - - -	The settlement is moderate either way.
	Mowkherah	- -	820	850	50	There were 22 wells - - - -	Fair.
	Nugla Ibrahimapore	-	285	340	65	Six wells with nine laos - - -	Assessment moderate both ways.
	Nowsanah	- -	1,029	1,100	275	- - - - -	Assessment moderate both ways.
	Neemkhera	- -	923	1,170	-	Canal irrigation has only superseded wells, which are still constructed, and can be used if required.	Fair.
	Naithluh	- -	1,220	1,150	200	Ten masonry wells with 18 laos - -	The assessment is moderate both ways.
	Hurtolee	- -	715	700	50	Canal returns show an average of 59 acres, but the well irrigation doubles that amount.	Fair both ways.
	TOTAL	- -	-	40,225	4,634		
Ugotah	Asufabad poorah.	Chand-	787	950	-	Wells can generally be sunk at small cost. There are now eight pukka and six kutcha, and a considerable amount of culturable waste to be brought under cultivation. As there has not been much canal irrigation, it is not taken into consideration.	The rate of assessment on the cultivation is very moderate, viz., Rs. 1. 8. 8. The demand is fair and light.
	Aurangabad	- -	575	1,000	150	Cultivated area nearly doubled, and still a considerable amount of culturable waste. Irrigation from canal, and also from wells, which can be sunk at small cost. Now five pukka and six kutcha.	Juma of 850, exclusive of canal, is light.
	Ouleralh	- -	2,386	2,965	265	Nearly all the area is irrigated. There are no less than 103 wells. Out of 1,120 irrigated acres, only 225 were measured as irrigated from the canal.	Fair.

Pergunnah.	Village.	Former Juma.	Total Proposed Juma.	On Account of Canal.	Settlement Officer's Reasons.	REMARKS.
		Rs.	Rs.	Rs.		
Ugotah	Aichanah - - -	1,057	1,155	-	The measurement showed 291 acres irrigated from wells. The settlement was made by Mr. Freeling, and on very good grounds, before there was any canal irrigation. The canal returns now show an average of 122 acres, but Mr. Currie has not increased the demand.	Fair.
	Bural - - -	3,101	3,758	508	Irrigation both from wells and the canal, and a large extent of culturable waste.	The juma, exclusive of canals, viz., 3,250, or after deducting cesses, 3,167 rupees, is only 66 rupees more than the juma of the former settlement, and falling only at the rate of Rs. 1. 12. 6. on the cultivation, is very moderate with reference to the uncultivated land available for cultivation.
	Bisaich - - -	1,055	1,200	250	Mr. Charles Currie found 98 per cent. of the cultivated area irrigated, and raised the juma to 1,250. Wells are now difficult of construction owing to percolation, and do not last, and therefore, Mr. R. Currie has reduced the demand to 1,200.	The cesses being 28 rupees, the proposed reduction on account of canal would bring the juma down to 133 rupees below the demand of the former settlement. The allowance is ample.
	Bhutonuh - - -	1,715	1,300	300	A jât village, or it could not have paid the former high juma. Canal returns show an average of 159 acres irrigated, but Mr. R. Currie thinks the amount must be understated.	The allowance of 300 rupees is very liberal.
	Bhumerah - - -	942	1,125	125	Canal irrigation has almost superseded that from wells, but there are still 12 or 14 at work, but they do not last as long now as formerly. At the time of measurement there were 46 wells.	As the cultivated area has greatly increased since the former settlement, the allowance is fair. The net demand, exclusive of cesses, would be 975 rupees.
	Bahremund Nugur -	801	869	119	At the time of measurement there were 15 wells, of which five are pukka, and there was no canal irrigation. The average canal irrigation is now 189 acres.	The allowance, which would bring the demand down much below the former assessment, is ample.
	Bhogpore - - -	368	383	-	Thirteen kutchra wells - - - -	The juma, independently of the canal, appears fair.
	Jufurabad Puttee -	400	511	-	Irrigated 242 acres, of which the canal returns give an average of only 64 acres.	The rate of assessment is light, and a fair demand independently of the canal.
	Chirawak - - -	1,317	1,347	247	Forty-six wells, of which four are pucca	The reduction is, if anything, more than sufficient, but allowance is made for the construction of wells being more expensive than formerly.
	Chuprawurt - - -	1,317	1,175	95	Average of canal irrigation only 100 acres.	Assessment made by Mr. Charles Currie irrespective of canal. It is moderate either way.
	Hoosenpore - - -	240	495	-	Irrigation from eight wells. Canal irrigation small in amount and uncertain.	The assessment at the average of the pergunnah would be 520 rupees, and the proposed juma is moderate independently of canal irrigation.
	Khooshalpore - - -	977	1,140	-	Assessment made by Mr. Charles Currie when there was no canal irrigation.	Rent roll averages over 2,350. No necessity for any reduction.
	Deolee - - -	988	1,000	200	Thirty-six wells. Average canal irrigation 178 acres.	The allowance is very liberal, as the village was previously entirely irrigated from wells.
	Lukheya - - -	400	400	-	Great facilities for irrigation; but little canal irrigation, and that uncertain.	Former juma maintained irrespective of canal. Fair.
	Sentuh - - -	550	900	-	Forty-three wells. Assessed by Mr. Charles Currie independently of canal. There is now a little canal irrigation, but of so small extent as to be unworthy of notice.	Fair.

Pergunnah.	Village.	Former Juma.	Total Proposed Juma.	On Account of Canal.	Settlement Officer's Reasons.	REMARKS.
Ugotah	Sohnupore - -	Rs. 418	Rs. 644	Rs. 119	Settled by Mr. Charles Currie at 450 when there was no canal irrigation, but temporary wells abounded.	As the juma included 180 rupees assessed on resumed rent-free land subsequently to Mr. Charles Currie's assessment, the allowance on account of the canal is very liberal.
	Syadpore Khoonum-pore.	554	588	—	Abundant irrigation. There was no canal irrigation when the assessment was made, but now there is sometimes a little.	No allowance on account of canal is required.
	Segruh - -	220	475	150	Only pucca wells can be made, but more than half the area is now irrigated by the canal.	The assessment either way is very light, falling, independently of the canal, at less than one rupee per cultivated acre.
	Fyzabad Rudholee -	120	500	100	The poolahs alone, in the uncultivated land, pay the Government juma, selling sometimes for 600 rupees.	Fair.
	Kyampore - -	205	220	40	Canal irrigation has entirely superseded well irrigation.	The village was entirely irrigated by wells, and the assessment might have been maintained, perhaps, independently of the canal. The nikasees were formerly 471, so either way the demand is very light.
	Kotuh - - -	1,800	1,675	—	This village has been damaged by the canal, which has given but little irrigation, and destroyed the temporary wells.	No remark required.
	Koorlee - - -	2,270	2,454	254	Sixty-nine wells, of which 31 are pucca, but canal irrigation has superseded the use of half of them.	Allowance ample, as the former demand was moderate.
	Kythalah - -	828	971	71	Irrigation from masonry and temporary wells and the canal, but most of the canal irrigation is in lieu of well irrigation.	The allowance is ample, as, independently of the canal, the demand would be moderate.
	Girdharpore Nawaduh.	1,202	1,350	—	Was assessed by Mr. C. Currie, when there was no canal irrigation, and exclusive of cesses, at 1,400. There is now no canal irrigation worth mentioning.	No remark required.
	Goolaothee - -	955	3,377	—	Was fairly assessed by Mr. Charles Currie independently of the canal, and his assessment has not been enhanced. The great increase on the former demand arises from resumptions of rent-free lands.	Under the circumstances stated in the preceding column, there is no necessity for any allowance
	Hurchunuh - -	1,200	1,200	—	Fourteen masonry and nine temporary wells at work, and some little canal irrigation; but as there are plenty of wells, the cultivators do not resort much to the canal.	The assessment either way appears high; but a juma that would be fair on existing assets might be paid easily independently of the canal.
	TOTAL - - Rs.	—	35,067	2,993		
Khoodjah	Ibrahimpore Chandpore.	1,044	1,068	68	Mr. Lowe retained the former juma, the addition being on account of cesses. At the time of measurement there was no canal irrigation, but 302 acres were shown as irrigated. The present canal irrigation is chiefly in lieu of well irrigation. There are 12 masonry wells with 25 laos. The rentals average 2,200 rupees, of which but a small portion is really dependent on the canal.	Under the stated circumstances the reduction is quite sufficient. The juma, inclusive of canal assets, was assessable before canal irrigation was obtained.
	Uchulpore - -	600	525	75	- - - - -	As the juma of the former settlement was 600 rupees, exclusive of cesses, a demand of 450, including cesses and exclusive of the canal, must be moderate.

CORRESPONDENCE RELATING TO THE

Pergunnah.	Village.	Former Juma.	Total Proposed Juma.	On Account of Canal.	Settlement Officer's Reasons.	REMARKS.
Khoorjah -	Uchejuh - - -	Rs. 396	Rs. 380	Rs. 50	- - - - -	The juma, exclusive of canal assets and including cesses, is 66 rupees less than the demand, exclusive of cesses of the former settlement.
	Uhmudpore Nubbeepore.	331	358	48	- - - - -	Proposed exclusive juma is less than the former demand, and is below the average on the cultivation, and much below the average on the malgoozaree.
	Ismaelpore - -	421	440	50	- - - - -	As above.
	Usghurpore - -	700	875	40	Six masonry wells with 19 laos, irrigating some 200 acres, and average canal irrigation does not exceed 50 acres.	Fair.
	Ugwa - - -	540	716	116	Five masonry wells with 10 laos. The wells are resorted to when canal water is scarce.	Fair.
	Agewrah Umeerpore	1,804	1,800	125	- - - - -	Moderate.—The juma of the 3rd settlement was 2,230 rupees.
	Bahunpore - -	434	500	100	Annual average canal irrigation 85 acres.	Allowance liberal.
	Budgaon - -	1,500	1,550	100	Nine masonry wells with 24 laos. Average 3 acres. Canal irrigation 53 acres.	Sufficient.
	Burtowlee - -	960	1,075	95	Canal irrigation 75 acres - - -	Fair.
	Bugraee - -	710	1,025	25	Annual average canal irrigation 54 acres. The rajbuha is in a deep cutting, and cannot possibly give any extent of irrigation, more particularly as the land near it is high and uneven. Rental 2,050, and there is still fair room for improvement.	Sufficient.
	Bhogpore - -	1,294	1,329	79	Annual average of canal irrigation for three years, 12 acres, five masonry wells with 13 laos, and four temporary wells with eight laos.	Ample.
	Pulruh - - -	1,237	1,400	150	Annual average of canal irrigation 172 acres. Ten pucca wells with 20 laos irrigating 300 acres. Average rent roll of five years, 2,900 rupees.	Moderate.
	Phurnkua - -	1,168	1,450	100	- - - - -	The capabilities of the village, independently of the culturable but uncultivated land, and exclusive of the canal, are sufficient to provide for the proposed demand.
	Jauril - - -	1,099	1,250	-	11 masonry wells working 33 laos; 80 acres the average canal irrigation, out of 393.	The demand would be very moderate if there were no canal, and therefore no allowance was necessary.
	Baruh - - -	365	625	75	Jumabundee 1,346 rupees, average of five years 1,250.	Average of canal irrigation 100 acres, but in year of settlement not above 30; and with reference to the jumabundees, exclusive of the canal, the allowance is ample.
	Juhanpore - -	475	562	-	Only an average of 15 acres canal irrigation, which does not affect the assessment.	No allowance necessary.
	Chandpore Khoord -	269	286	26	Only an average of 29 acres canal irrigation. None at time of measurement, and it does not affect the assessment.	The allowance is ample.
	Cheetie - - -	678	650	50	- - - - -	No remark.

Pergunnah.	Village.	Former Juma.	Total Proposed Juma.	On Account of Canal.	Settlement Officer's Reasons.	REMARKS.
Khoorjah -	Hussanabad - -	Rs. 439	Rs. 820	Rs. 120	Annual average canal irrigation, 173 acres; six masonry wells with 17 laos, but all canal irrigation in excess of 100 acres is only in lieu of wells.	Allowance fair.
	Huzrutpore - -	675	690	190	- - - - -	The reduction allowed is liberal.
	Huzrutpore Poothree	584	625	100	Average rental over 1,250. Canal irrigation averages 100 acres.	Allowance sufficient.
	Dhurpah Choohurpore.	667	750	125	- - - - -	The former assessment, without any canal, was not too high, and therefore the allowance is ample.
	Ditto Puttee 5 biswas	238	260	40	- - - - -	Ditto.
	Deenoul - - -	750	1,075	100	Annual average canal irrigation, 57 acres, out of a total of irrigated area of 411.	Fair.
	Deoralah - - -	2,142	2,190	200	- - - - -	Ample, as former assessment, when there was no canal, was fair.
	Dhukpoora - -	350	350	59	- - - - -	Ditto.
	Raeepore Mozumpore	693	725	50	- - - - -	Ditto.
	Runjoulee - -	825	880	80	- - - - -	Ditto.
	Roodree - - -	325	375	50	- - - - -	Ditto.
	Sarsoul - - -	190	360	60	Average of canal irrigation, 50 acres.	A juma of 300 rupees is not heavy on the cultivated area (230 acres), exclusive of the canal.
	Sooltanpore - -	400	358	28	Four masonry wells and seven laos, and very little canal irrigation.	Fair.
	Sulempore Puhar Gurhee.	800	775	75	Five masonry wells and 14 laos.	The juma, irrespective of canal, is 100 rupees less than the former assessment, and is moderate.
	Shahpore Puhasow -	700	716	56	- - - - -	The former assessment, which was irrespective of canal irrigation, was moderate, and therefore the allowance is ample.
	Shahbazpore Dowlut	649	670	80	- - - - -	Ditto.
	Sherpore Muzrah -	447	475	66	- - - - -	The demand of 409, exclusive of the canal, is very moderate.
	Soorutpore Khoord -	290	297	37	- - - - -	Ditto, demand of 260.
	Soorutpore Kulan -	558	665	65	Average of 3 years' canal irrigation 54 acres. Seven masonry wells and 16 laos, and entire irrigated area from 200 to 210 acres.	Allowance fair.
	Sahibpore - - -	276	400	100	- - - - -	A juma of 30, irrespective of the canal, is moderate, as there are 222 acres cultivated, and sugar-cane and indigo are grown.
	Oosmampore - - -	700	767	92	- - - - -	The juma of 675, irrespective of the canal, is less than the former demand, which was independent of the canal, and was moderate.
	Ghaspore - - -	610	767	67	Only 32 acres canal irrigation.	Allowance ample.
	Kulundur Gurhee -	275	415	35	Canal irrigation little used.	Allowance sufficient.
	Kirra - - - -	1,064	1,585	335	- - - - -	A demand of 1,250, irrespective of the canal, is moderate.
	Kholee Khoord	1,728	1,767	92	13 masonry wells and 35 laos. From 75 to 100 acres of canal irrigation.	The assessment of 1,675 rupees, irrespective of the canal, on 1,066 cultivated acres, is moderate.

CORRESPONDENCE RELATING TO THE

Pergunnah.	Village.	Former Juma.	Total Proposed Juma.	On Account of Canal.	Settlement Officer's Reasons.	REMARKS.
		Rs.	Rs.	Rs.		
Khoorjah -	Khuryoulee -	425	675	110	- - - - -	Juma of 565 or 985 cultivated acres, irrespective of canal, is moderate.
	Khalsyuh -	464	613	88	Average of 3 years. Canal irrigation 69 acres.	Fair.
	Gunwan -	1,292	1,400	50	Average canal irrigation 111 acres.	The allowance here seems hardly sufficient. With a cultivated area of 830 acres and 4 masonry wells, with 10 laos, the village, without the canal, would pay a juma of 1,350, but 50 rupees hardly represent the difference.
	Guwuworlee -	2,150	2,075	132	- - - - -	The assessment is moderate both ways, as 582 acres out of 1,192 were irrigated from wells, independently of the canal, when the measurement was made.
	Ghutal -	875	815	40	4 masonry wells and 9 laos.	Fair.
	Lukhouttee -	675	725	50	- - - - -	The former juma was moderate, irrespective of the canal, and the allowance is therefore fair.
	Lukhumwarah -	760	760	60	- - - - -	The former demand was not heavy, and therefore the decrease on account of the canal is sufficient.
	Maucheeppore -	405	640	40	Average annual canal irrigation 62 acres. Six masonry wells with eight laos.	The village would pay a juma of 600 rupees without the canal, but the decrease of 40 rupees seems hardly sufficient.
	Mohumudpore -	285	400	75	- - - - -	The juma, irrespective of the canal, is light.
	Mohumud Kureempore.	500	1,100	100	Annual average of canal irrigation 89 acres. Ten masonry wells, with 20 laos.	The assessments, both ways, are rather high, though the average rental for two years has been 2,152 rupees.
	Moheecoddeenpore -	406	550	35	- - - - -	Fair, with reference to the extent of cultivated area.
	Munsoorpore -	441	750	50	Rental 1,560 rupees—168 acres irrigated at time of settlement, irrespective of canal. Canal returns for three years show an average of 31 acres.	Fair.
	Moonee -	1,362	1,534	84	At the time of measurement there were 423 acres irrigated from wells, and 28 acres by the canal.	Ditto.
	Narphul -	1,071	1,150	50	Canal irrigation averages about 50 or 60 acres. Eleven masonry wells with 34 laos irrigate from 340 to 350 acres.	Ditto.
	Nugur -	650	725	75	- - - - -	Former juma was moderate, irrespective of canal. The allowance is therefore fair.
	Nuglahhut -	465	500	25	One hundred and three acres irrigated by wells at time of measurement, and since then a little canal irrigation has been introduced.	Juma is moderate both ways.
TOTAL - - - Rs.			51,033	4,828		

Pergunnah.	Village.	Former Juma.	Total Proposed Juma.	On Account of Canal.	REMARKS BY BOARD.
		Rs.	Rs.	Rs.	
Secundrabad	Urnean - - -	150	300	50	A juma of 250 rupees, irrespective of the canal, would be very fair. The juma of 300 rupees has been fixed in consequence of a rajbaha now skirting the village.
	Aroundah - - -	605	775	25	The difference is equivalent to the small amount of canal irrigation that was taken into account in fixing the juma.
	Asadei - - -	364	364	109	The former juma was considered too high, and but for the canal would have been reduced to 255 rupees, as there was no other irrigation. With the canal the former juma is fair.
	Ismaelpore - - -	750	750	-	There is abundant irrigation from wells, and the former juma is fair entirely irrespective of canal irrigation.
	Azumpore Hasnpore	730	900	50	The assessment is very moderate, and would have been higher if the canal had never approached the village. Kucha wells cannot now be, as they were formerly, easily constructed.
	Azumpore Gurhee -	293	450	-	There is very little canal irrigation, and either way the demand is very moderate.
	Ugrahee - - -	895	950	250	The demand of 700, exclusive of canal irrigation, is very moderate.
	Undhil 10 bis - -	208	275	25	} The demand, exclusive of the canal, is fair and moderate.
	Ditto - - -	208	275	25	
	Biswanah - - -	179	200	20	The juma, exclusive of canal, 180 rupees, as it includes cesses, is less than the former demand, which was very moderate.
	Butenah - - -	703	700	175	The proposed reduction, which involves a considerable decrease on the former demand, makes the juma, exclusive of canal irrigation, very light.
	Boduh - - -	475	750	75	As the soil is all good, the proposed exclusive juma, falling at the rate of only Rs. 1. 4. 11. on each cultivated acre, is very moderate.
	Bhutpoorah - - -	227	335	55	As the land is all good, and the rate on the cultivation, independently of the canal, is very low, the allowance is ample.
	Bhutotuh - - -	435	635	185	Exclusive of the canal and of cesses, the former demand is maintained and is very moderate.
	Bhorabas - - -	375	420	20	- - - Ditto.
	Bhouruh - - -	1,139	1,500	100	The demand, both ways, is very moderate, as the soil is fine and the rate of the exclusive juma only Rs. 1. 6. 4. per acre of cultivation.
	Bhowkheruh - - -	256	600	150	The soil is good, and the rate of the juma, independent of the canal, being only Rs. 1. 2. 1. per cultivated acre.
	Bheer Khera - - -	1,150	1,350	250	The juma, independent of the canal, is less than the former demand, which was moderate.
	Beneepore Sudhobas.	772	875	25	The soil being all good, the juma, independent of the canal, which falls at the rate of Rs. 1. 8. 9. on the cultivation, is very moderate.
	Pitoobas - - -	600	650	50	The juma, independent of the canal, is less (as it includes cesses) than the old juma, and is light.
	Phukanuh - - -	600	850	100	The juma, exclusive of the canal, is only a trifle more than the former demand, and is light. The land being good, and rate low.
	Peer Byabanee Jâts	203	375	50	Soil all good. Rate of, exclusive juma, Rs. 1. 8. 2., which is very light.

ergunnah.	Village.	Former Juma.	Total Proposed Juma.	On Account of Canal.	REMARKS BY BOARD.
		<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	
Secundrabad	Peer Byabancee Goojurs.	203	450	50	Soil all good. Rate <i>Rs.</i> 1. 7. 2.
	Pempore - - -	160	180	30	The exclusive juma is less than the former demand, and with reference to the large amount of culturable but uncultivated land is, if anything, too low.
	Essepoore - - -	1,000	950	-	The settlement officer states that "the canal irrigation is very fluctuating and uncertain, and is not a necessity to the village, nor has it in any way improved it; but when procurable, and water is plentiful, it is preferred, in some instances, to well irrigation. It does not, however, affect the juma." No allowance on account of the canal was required.
	Mohanuh - - -	1,000	700	-	Mr. Currie writes:—"There is no enhancement here for canal irrigation, and as one of the watercourses has no water in it, so far down as this, and the other is in cutting, the water taken from the canal is not considerable and does not affect the assessment." The former demand has been considerably reduced, and the proposed juma, either with or without the canal, is very light.
	Gesooopore - - -	1,272	1,800	150	The soil generally is particularly good. The juma, exclusive of canal irrigation, falls at the rate of <i>Rs.</i> 1. 8. 8. on the cultivation, and there is such a large extent of culturable, but uncultivated land, that a lower assessment could not be sanctioned.
	Wair Badshapore -	2,729	2,900	150	The juma, exclusive of canal irrigation, as it includes cesses, is less than the former demand, which did not include them. The land is good, and the exclusive juma falls at the rate of only <i>Rs.</i> 1. 5. 11.
	TOTAL - - -	<i>Rs.</i>	21,259	2,169	
Puhasoo	Bhagoo - - -	333	350	75	The demand, independent of the canal, is almost the same as the former juma, and is very fair.
	Ban - - -	358	550	100	The exclusive juma falls at the rate of only <i>Rs.</i> 1. 4. 5. on the cultivation.
	Bund - - -	3,411	3,068	768	The village said to be one of the finest in the district. The juma, either way, is very moderate, and cultivated area 1,309 acres, all irrigated; 50 pucca wells capable of working 75 laos, and the reduction allowed on account of the canal is therefore more than was necessary.
	Bedrampore - - -	260	475	125	The village is leased for 700 rupees. The canal allowance is ample.
	Padha - - -	200	327	77	Two good masonry wells, capable of irrigating 50 acres or more, and as the rate of the exclusive juma is only <i>Rs.</i> 1. 7. 6. on the cultivation, it is very moderate.
	Pilkhunharce -	1,325	1,355	355	Five masonry wells on which 16 laos can work. The large reduction on the former demand makes the juma, exclusive of the canal, very light.
	Tewur Boozoorg -	1,470	2,300	350	Cultivated area now upwards of 1,400 acres, and there are 28 masonry wells capable of working 57 laos. The juma is, therefore, both ways, extremely light.
	Tewarce - - -	783	1,600	175	At the measurement there were 259 acres irrigated from 10 masonry wells, and only 35 acres from canal. Now the average canal irrigation is 102 acres. The allowance is very fair.
	Jutola - - -	752	1,023	198	Average canal irrigation 142 acres; 8 pucca wells with 10 laos. Allowance ample.
	TOTAL - - -	<i>Rs.</i>	11,048	2,223	

Pergunnah.	Village.	Former Juma.	Total Proposed Juma.	On Account of Canal.	REMARKS BY BOARD.
		<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	
Dadree	Bisohruh	2,059	1,950	150	Excellent soil and first-rate crops. The higher demand might very well be paid, as was the previous demand, independently of the canal, as there were numerous temporary wells, and, if need be, might be again; but they could not be constructed so cheaply as heretofore, and, therefore, the allowance is made. It is very sufficient.
	Ch'houlus	578	2,250	300	Irrigation both from numbers of masonry wells and the canal. The allowance is ample (more than half the estate is confiscated rent-free land).
	Dhoom Monukpore	2,132	2,200	200	Great extent of irrigation, partly from masonry wells, but chiefly from the canal. The former demand was not heavy. The rate on the cultivation is light, and the allowance is, therefore, liberal.
	Dadree Khizurpore	1,389	1,650	150	The soil of fair ordinary quality, very good in some places, and not bad any where. There has not yet been much canal irrigation, but may be more. As there are 1,282 acres cultivated, the assessments both ways are very light.
	Noorpore	675	1,000	150	Soil good throughout, and the greater part of the area irrigated from masonry wells and from the canal. The juma of 850 rupees is at the rate of <i>Rs.</i> 1. 8. 7. on the cultivation, and is, therefore, very light.
	Doojunah	1,702	1,750	100	Two-thirds of the cultivated area irrigable from masonry wells and from the canal. There are 20 masonry wells capable of irrigating 600 acres, as there are 64 laos. The allowance is ample, as the former demand was light, the cultivated area being 1,173 acres.
	Ibadoolahpore	906	950	125	Before the canal reached the village, the irrigated was about one-third of the cultivated area. The juma of the last settlement was not high, and the new assessment is, therefore, both ways, very light. Cultivated area, 583 acres.
	Salarpore Kalan	780	1,075	125	Soil of fair average quality; abundance of irrigation from masonry wells and the canal. The juma of 950 rupees falls at the rate of only <i>Rs.</i> 1. 4. 11. on the cultivation, and is, therefore, very light.
	Ranoulée Luteefpore	462	700	-	Though much of the soil is light and sandy, there are not 100 acres that are really bad. There is now a little canal irrigation, and will be more in a few years. The juma is purposely fixed light, because the village is held by a lazy set of Goojurs, and it is irrespective of any little canal irrigation there yet has been or may be, and there never can be much, owing to most of the area being on a high ridge of land. The rate of assessment is only <i>Rs.</i> 1. 0. 5. per cultivated acre, and either way this is very light.
	Chutuhah Susonuh	1,493	1,800	150	This is another Goojur village. The rajbuha is rather deep below the surface throughout a great part of the area, and hence on the north and east of the village there is very little canal irrigation. On the west and south there is much of it. Canal irrigation, 362 acres; other sources, 80. The demand, independent of the canal, 1,650 rupees, is very moderate, as it falls at <i>Rs.</i> 1. 1. 9. per acre of cultivation.
	TOTAL	<i>Rs.</i>	15,325	1,450	
Dunkour	Outroulee	1,004	1,000	125	A fair average village, with a large portion of culturable but uncultivated land. The exclusive juma, 875 rupees, falls at <i>Rs.</i> 1. 2. 8. on the cultivation, and is very light.
	Parsol	1,788	1,650	200	Mr. Currie writes that, "in assessing 1,650 rupees, inclusive of canal irrigation, I have anticipated more canal irrigation than has yet been shown in the return." The former demand was held to be rather high. The exclusive juma, 1,450 rupees, is light, the cultivated area being 1,038 acres, and the land good.
	Chowkee	509	375	50	There is a rajbuha in this village, but in general the land is above the level of the water, and, therefore, there cannot be any great extent of direct irrigation. The former demand was too high, and the proposed assessments, both ways, are light.

Pergunnah.	Village.	Former Juma.	Total Proposed Juma.	On Account of Canal.	REMARKS BY BOARD.
		<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	
Dunkour -	Dulelghur - -	862	700	100	Soil all good, but not much irrigation, except from the canal, and that seems uncertain. Last year, however, there were 125 acres irrigated. The cultivated area being 451 acres; both the proposed jummas are light.
	Dhanoree - -	Jageer	1,760	-	A splendid village, the soil good throughout, and well irrigated from masonry and temporary wells and the canal. This assessment is nominal, and made for the purpose of fixing the cesses, as the village is still in jageer.
	Kunarsee - -	896	1,150	250	Soil generally good. Canal irrigation this year 388 acres, and well irrigation about 150, exclusive of temporary wells. This allowance is very fair, as there are great facilities for irrigation independently of the canal; and the exclusive juma falls at the rate of <i>Rs.</i> 1. 5. 6. on the cultivation, which is very moderate for a high class village, such as this.
	Ludhpoorah Ukburpore.	825	950	100	The barah (the rich soil in the neighbourhood of the village site) is excellent, and all the soil of uniform quality, with the exception of a few fields. The irrigation hitherto has been almost entirely from temporary wells, which are now falling in owing to the advent of the canal. In fixing the juma of 950 a large margin has been allowed for fluctuation in canal irrigation; and the allowance of 100 rupees brings down the demand to the rate of <i>Rs.</i> 1. 7. 4. on each acre of cultivation.
	Nuwadah - -	702	700	50	Soil good and level. The village is now almost entirely dependent on the canal for irrigation, as the temporary wells have fallen in, and are useless, and there are only two masonry wells. Mr. Currie fears the canal has here done more harm, in destroying temporary wells and their irrigation, than it can or will make up for, and he has, therefore, made the assessment proportionately low. The rate of the exclusive juma on the cultivation is <i>Rs.</i> 1. 5.
	Neelonee Shahpore -	1,192	1,500	100	A large amount of canal irrigation, but the temporary wells have mostly failed, and the canal cannot do more than supply their place. There are, however, a number of masonry wells. The average canal irrigation is about 100 acres, but this may increase to 200, or even 250, the increase, however, being merely in supersession of temporary wells destroyed. Under these circumstances the allowance is ample. The rate on the cultivation of the juma of 1,400 rupees is <i>Rs.</i> 1. 5. 3.
	Wailanuh - -	1,200	1,350	75	The soil generally good, and there are a number of good masonry wells. Canal irrigation this year 156 acres, and in future years should double that amount. Average rent-roll of five years, 2,700 rupees. The juma of 1,275 rupees is at the rate of <i>Rs.</i> 1. 7. 8. on the cultivation, and is moderate.
	TOTAL - - -	<i>Rs.</i>	11,135	1,050	

A B S T R A C T.

Pergunnah.	Total Proposed Juma.	On Account of Canal.
	<i>Rs.</i>	<i>Rs.</i>
Burrun - - - - -	40,225	4,634
Ugotah - - - - -	35,067	2,993
Khoorjah - - - - -	51,033	4,828
Secundrabad - - - - -	21,259	2,169
Puhasoo - - - - -	11,048	2,223
Dadree - - - - -	15,325	1,450
Dunkour - - - - -	11,135	1,050
TOTAL - - - <i>Rs.</i>	1,85,092	19,347

NOTE by the Honourable W. Muir, on a Collection of Papers now before the Government, North Western Provinces, regarding the Assessment of Rental arising out of Canal Irrigation.

THE conference held at Agra in the beginning of the year, and some of the papers subsequently written upon its proceedings, call in question the policy and equity of the present system of canal assessment.

The present system is to assess at half of the average assets, however created, whether through canal irrigation or otherwise; we take one-half of the entire rental received by the landlord as the Government share. Present system.

But we provide that a careful estimate is made of that portion of the revenue directly attributable to the canal and dependent upon it; this is styled "Extraordinary Land Revenue;" the remainder being "Ordinary Land Revenue," namely, the assessment at which an estate would probably have been rated had there been no canal. Land Revenue, Ordinary and Extraordinary.

The object of this division is twofold. It enables the Government to credit the canals, in account, with the extraordinary land revenue, that is, with the increased revenue created by them; and this also forms an index to the sacrifice which would be caused by the stoppage of any canal or branch of one.

In case of failure of irrigation from a canal, the amount to be remitted might exceed the extraordinary land revenue, or it might fall short of it. That revenue may have been under-estimated by the settlement officer, and may be found on the calamity actually taking place to be insufficient. It is not to be supposed that a village, long dependent on canal irrigation, could revert on the moment to wells: or that the dense population nourished by the canal could suddenly be deprived of its subsistence without wide-spread distress, unsettling the country, and imperilling for a time even the ordinary land revenue. On the other hand, the failure of a canal might be ameliorated by certain circumstances. The rains might be so abundant and well-timed as, for that season, in a great measure to supersede artificial irrigation: or the spring level of the country, which takes long to subside, might still be so near the surface as to afford ready means of irrigation, even if the canal bed lay during the year empty. Failure of canal *prima facie* ground for remission of Revenue Extraordinary.

The amount of extraordinary revenue would not, therefore, be a *necessary* index of the precise amount to be remitted. To give a legal right to the zemindar to claim that as a remission would also open the door to frivolous and unfounded demands on any fancied insufficiency of water. But still the estimate of extraordinary revenue would form a most valuable standard for the Collector's guidance; and, under ordinary circumstances, would be adopted in the majority of cases as the standard of actual remission.*

On these grounds the zemindar is required to engage for the entire land revenue, without distinction of ordinary and extraordinary; but it has been stated in a public circular that this will not excuse the Government, on any failure of the canal affecting the assets of the extraordinary revenue, from "granting a suitable relaxation of the demand." But the whole revenue is engaged for absolutely.

Such is the position upon which the extraordinary revenue is based. Numerous objections have been taken to the system. The chief are these— Objections enumerated.

1st. By assessing on canal assets, the Government (it is alleged) gives an implied pledge that water will always be supplied; and the Irrigation Department will be embarrassed should it wish to raise the water-rate, or to divert the course of irrigation to other tracts standing in greater need of water.

2nd. A settlement, based upon assets, one element of which (canal profits) is uncertain, cannot claim to be a permanent settlement.

3rd. Villages so assessed are placed at a disadvantage in reference to tracts not now irrigated by the canal, but which may be hereafter.

4th. Profits created by the canal are allowed to go to the zemindar, who has no claim to them; whereas these profits should go entirely to Government.

5th. The system of differential water-rates would not in practice answer.

Before noticing these objections, I will describe the plan which it is proposed to substitute for the present system.

The project advocated by Mr. Currie and Mr. Hume, more or less countenanced by some others, and to which Mr. Money has latterly given in his adhesion, is to assess the Government demand irrespective altogether of the canal, and of the increased assets created thereby. The advocates of this system admit that a loss of land revenue will ensue, but they hold that the deficiency will be much less than generally expected; that it will be more than compensated by taking the profits at first hand from the cultivator, in the shape of increased water-rate; and that, whatever be the loss, the Government is bound to face it, and not perpetuate a false principle, as they allege we are now doing. The Canal Department, it is added, will thus be released from all embarrassment, and will be free to withdraw System proposed by objectors.

* "If the assessment of Extraordinary Revenue be framed upon a full understanding of the natural capabilities of the estate, independent of the canal, it may be found (in case of failure of the canal) to supersede, in many instances, any further proceedings for determining the amount of relief to be temporarily granted." —Circular Order, Sudder Board of Revenue, 1864.

withdraw irrigation, either by closing at pleasure any branch of the canal, or by imposing rates which for the locality would be prohibitive.

Defects of proposed system.

To this it may be replied that the loss of land revenue must, under any circumstances, be considerable; that it cannot be recovered through any system of water-rates, which are demandable not from the landlord, but from the cultivator; that increase of water-rates, and consequent increase of the direct canal revenue will, in practice, be equally attainable under the present system; and that, if any organic change in the distribution of the water should take place and loss ensue, there will be no material difficulty in effecting a corresponding adjustment of the revenue. In short there would, by the proposed plan, be a gratuitous gift to the landlord and loss of revenue, without any compensation whatever.

Loss of Land Revenue.
Mozuffernugger.

First, then, as regards the amount of revenue at stake,—

Mr. Martin estimated, after a calculation made village by village, that, in Mozuffernugger, assessed at between 11 and 12 lakhs, there would be a loss of about two lakhs of rupees. It will be seen that Mr. Money thinks this estimate of extraordinary (or canal revenue) too high; and, under his instructions, the amount will probably be somewhat reduced; but I should think that, if fair advertence be given to the benefits of the canal, it could hardly be brought below a lakh and a half. This district is watered not only by the Ganges Canal, but largely also from the East Jumna Canal, the irrigation from which is very constant, and has long reached its full development.

Saharunpore and Meerut.

In Meerut, which is very similarly circumstanced, I believe that a fair assessment of canal profits will (in proportion as the district is larger than Mozuffernugger) produce a still larger sum. So also with Saharunpore; though here, as water is in many quarters nearer the surface, the proposed enhancement of water-rate may to some extent limit the area of canal irrigation by inducing the people to revert to irrigation from wells.

Loss in Boolundshuhur.

In Boolundshuhur, the only other district yet brought under re-settlement, the Ganges Canal alone is in question (the East Jumna Canal terminating opposite the city of Delhi); and canal irrigation is yet only in process of development. Here, moreover, as will be subsequently shown, the peculiar views held by Mr. Currie have without doubt influenced him (though with every desire of doing substantial justice) to under-estimate the extraordinary revenue.

Premising that these points are to be borne in mind, I note the results in Boolundshuhur, as calculated by Mr. Currie's detailed and otherwise careful investigation. Out of about 1,600 villages, only 650, assessed at an aggregate sum of five lakhs of rupees, are affected by the canal, and even among these many are still very partially irrigated from it. Of the above sum, Mr. Currie estimates from 36,000 to 38,000 rupees to be extraordinary (or canal) revenue.

I apprehend that a full estimate would place the extraordinary revenue higher. But for the sake of argument, I will assume that the revenue at stake is only of that amount, and that the district of Boolundshuhur alone is concerned.

No reason why revenue should be remitted to the landlord.

A revenue of 36,000 to 38,000 rupees represents the Government share in increased assets amounting to some 75,000 rupees; that is, in an increase of *rental* to that amount paid by the cultivators to their landlords, solely in consequence of the increased produce obtained from the use of canal water. Why this sum should be left untaxed with the zemindars, while all other zemindaree rental and profits are assessed to the land revenue, I cannot perceive. The effect would be to make the settlement press, at its very commencement, with a patent and most invidious inequality. The canal villages would be more lightly assessed than their neighbours, by all the difference of the increase of rental indicated above. The proceeding would be nothing more or less than a gratuitous relinquishment of the public revenue to the landlord.

The loss will not be recovered.

It is argued on the other side that although some revenue must be relinquished, the loss will be more than compensated by raising the water-rate. But to this it may be replied, (1) that increase of rent levied by the zemindar cannot be reached by a water-rate demandable from the cultivator; and (2) that the water-rate can, within practical limits, be increased under the existing system equally as under the proposed.

It cannot be recovered by water-rate levied from the cultivator.

Mr. Hume seems to think that, by some arrangement between the ryot and the Canal Department (the details of which are not given), it would be possible to collect directly from the ryot the whole or nearly the whole of the increased value arising to him from the use of canal water, and so to intercept it that no portion, or but an insignificant portion, shall reach the zemindar in the shape of increased rent.

I do not suppose that the advocates of this system contemplate a separate bargain with each cultivator,* fixing the water-rate in exact proportion to his profits; for this would in effect be employing the Canal Department to make a second revenue, or a ryotwarree settlement; and yet without such a detailed settlement it is not apparent how the surplus profits could be so exactly estimated and assessed as to frustrate any claim of the zemindar to share in the same. Even if the attempt were made, it would succeed, if at all, but very imperfectly; for, as I will show below, from the very nature of tenures in this part of India, the zemindar cannot be ousted from his prerogative as the levier of rent. Moreover, no such bargain would tend to lower the *existing rents on which our present jummas* are assessed, for the landlord could maintain his right to these, unless, indeed, the bargain were drawn so hard by the Canal Department as to force the cultivator to revert to dry cultivation, or to throw up his holding altogether.

But

* Yet some of the writers in this collection propose a (water) rate to be "*fixed by bargain*" between the canal officers and cultivators.

But any such scheme may be left out of view, since it has been definitively settled that the water rate, or direct Canal Revenue, whether on Government or private canals, is to be realised by uniform rates—rates at least which shall be uniform over considerable tracts of country—not by separate bargain with the individual.*

Assuming then that the present system of uniform water rates will be maintained, it appears to me that no rise of water rate within the limits prescribed by the interests of the canal itself will sensibly affect the rents of the landlord.

Inquiries made by the Allahabad Board last year (consequent on Colonel Strachey's Despatch directing the water rate to be raised) showed that there was no material difference in the scale of rents paid by cultivators on the East Jumna Canal, although its water rates were pitched at a much lower standard than those of the Ganges Canal. The present collection of papers also shows conclusively that the rent for a canal-irrigated field has found its level at very nearly the same rates as for land irrigated from wells.†

That the zemindar's rent *must* rise in some proportion to the produce (where the increase is not exclusively due to the labour or capital of the cultivator) will be evident from a consideration of the very nature of the relative rights of landlord and cultivator.‡ For, in the first place, no new lands can be brought under cultivation without the zemindar's permission, which, of course, would only be conceded on the promise of a fair and customary rent. It is by affording the means for bringing waste lands under profitable tillage and extending the breadth of cultivation, that the largest accessions of income are derived from canal irrigation. Here then we see that, whether taken in money or in kind, the zemindar will have his full rent, although it arise from assets wholly created by, and dependent on, the canal; and no arrangements as to water rate can, in any way, interfere with the landlord's successful enforcement of his claim.

But apart from the breaking up of waste lands, the landlord will always be able to assert his title to share in the profits. He will do so immediately and directly wherever (as is the very general custom of the Upper Doab) he takes his rent in kind; here just as the produce is increased, by dry or imperfectly irrigated land being brought under canal water, so exactly is his share in that produce. The same direct enhancement will take place wherever money rents (*Zubtee*) are paid according to a scale rising with the superior nature of the crop, also a popular practice in the Upper Doab. The introduction of canal water followed, as it generally is, by the cultivation of superior staples, will thus immediately raise the landlord's rent. In both these cases the rise is direct and certain.

The same will be the case with ordinary money rents, though not quite so directly and immediately. Where the cultivator is a tenant-at-will, the zemindar makes his own bargain year by year, and will not fail to assert his absolute right to share in any increase of profits. Where there is an hereditary title to hold at an equitable rent, the zemindar can claim to raise his rent to the prevailing standard, and by law can assert his right to enhancement where the profits are increased otherwise than by the labour or capital of the ryot. Under any system of uniform water rates, there must remain with the cultivator a considerable balance of profit from the use of canal water. It will vary according to soil and circumstances, but must always exist in a sensible degree to induce the cultivator to resort to the canal; and I think it is unquestionable that the landlord will invariably be found sharing in the profits by a corresponding rise of rent, either immediate, or following, as an early and certain consequence, upon the use of canal water.§

Now

* This was ruled by Lord Elgin, in a Minute dated 12th September 1863, respecting private companies; where it is stated that "the principle that the charge for water supplied from canals, should be made uniform over certain areas," had been repeatedly laid down by Her Majesty's Secretary of State.

† Mr. Commissioner Williams says, "In the Boolundshuhur District, the people, *i. e.*, the landlords and tenants, have fixed the landlord's rent a little lower where canal irrigation is used, than the rate of rent which is paid when the irrigation is from wells.

‡ "The circumstances under which the 'mutual agreement arrangement' took place in Boolundshuhur, are not clear; some say the amount of produce from *well* water is greater than that from land irrigated from the canal; but others will deny this and assert the contrary."

Of the East Jumna Canal, in the Saharunpore District, Mr. Wynne writes, "If the zemindar's share is half the produce on dry lands, it will be some two-fifths on *well* irrigated, and some one-third on canal irrigated land, *i. e.*, a difference of one-fifteenth; still the actual produce being greater (*a*), the zemindar's actual rent will be at least equal on well and canal irrigated land; indeed, I generally find more in the latter."

‡ The Government North-Western Provinces, in their letter dated 7th March last, consider it proved "by the admissions and experience of all the officers present at the conference, that whatever may hereafter occur, 'landlord's rents have not yet, as a rule, been enhanced in consequence of canal irrigation.' I can find no ground for this view in the recorded opinions of those officers. The Government probably mean that the substitution of the canal for *well* irrigation does not raise rent—a position which has always been admitted.

§ Law, as well as custom, is opposed to the new proposals. The zemindar is entitled to increased rent where the produce and profits reaped by the cultivator are increased, otherwise than at the expense and by the agency of the cultivator; clearly the introduction of canal water does not fall within this exception, and to prevent the zemindar's legal title, an enactment would be needed, such as that now proposed for Madras, barring the zemindar's claim to enhance his rent on account of canal irrigation, unless he is also called to pay revenue to Government for such increased profit. But even with such a law, we should not be clear of our difficulties; for (1) such a law would not reach rents already enhanced and assessed; and (2) it might check the zemindar's claims in a few contested cases of hereditary cultivators, but would not generally prevent his obtaining an increased rent; and (3) it is difficult to see how such a law could be enacted without trenching upon the rights of the landlord.

(a) "Greater in the particular tract of country of which I am speaking, because the canal enables a double crop to be grown on many lands; and in many more enables that most paying crop, rice, to be grown; the zemindar's actual rent will be at least equal on well and canal-irrigated land; indeed, I generally find more in the latter."

Rents will rise notwithstanding water rate.

Section 17, Act X., 1859.

New lands broken up.

Rents in kind.

Money rents.

Increase in rent cannot be reached by water rate.

Water rates may be raised under existing system.

In reference to rents already enhanced.

Such rents would not be reduced, unless ryot forced to fall back on dry cultivation.

Reasons why canal rates can never be pushed beyond moderate limits.

1. They must be uniform.

2. They must have some reference to the expense of irrigation from wells.

Exceptional tracts where well irrigation unknown.

3. Canal supersedes well irrigation.

Now this increase of rent, being levied by the landlord, cannot be reached by any enhancement of the water rate which is taken from the cultivator. The considerable amount of land revenue, therefore, which it is proposed to relinquish, would not be recoverable from the zemindars in any form;* it would be a simple gift to them of so much yearly revenue, and moreover tend to make the settlement most unequal and unfair.

I will now proceed to show that the water rate may be raised without injustice to any one, equally under the present as under the proposed system; and that no special credit can, therefore, be claimed by the latter as a set-off for the loss of revenue with which it sets out. By increase in the water rate, I must be understood as meaning an increase within the reasonable and practical limits which, on independent considerations, must always be observed by the Irrigation Department.

And first in respect of rents already raised by canal irrigation previously to the settlement. If it can be shown that an increase of water rate will not affect these, the assessment of an extraordinary land revenue upon them cannot be inconsistent with the imposition at any future period of such increased rate.

I believe I may assume that it will never be the object of Government to enhance the water rate to such a pitch as to drive the cultivators generally in any tract to give up irrigation altogether, and either leave their fields waste, or cultivate them with dry crops.† It might indeed justly be an object, where there is competition for the water, to raise the rate so as to induce the people to *resort to irrigation from wells instead of from the canal*, and thus economise the water for use in localities where it is more urgently needed. But the case appears inconceivable in which it should be, for the interests of the Government, to increase the water rate anywhere near to the point at which, by such prohibitory rate, land would either be thrown out of cultivation, or reduced to dry cultivation.‡ I assume, therefore, the danger of stopping irrigation (both well and canal) as one of the obligatory limits to the enhancement of canal rates.

But it is very evident that no rise in the water rate, short of a rise that would throw the cultivator's fields altogether out of irrigation, would affect the rent. If the cultivator were induced by the greater expense of canal water to fall back on water from wells, he would still pay the same rent; that is, the rate of rent for wet cultivation; for, as before shown, the rates of rent for fields irrigated by the canal do not materially differ from those irrigated by wells. I conclude, therefore, that no increase of water rate at all approaching the limit necessarily observed by Government will ever reduce the landlord's rental; and that such increase may at any time be imposed without injustice to the landlord, who will continue to draw unimpaired the rental upon which the extraordinary revenue was assessed.

I may here advert to some of the considerations which must always in practice tend to keep the canal rates within reasonable bound. First, as before observed, they must be uniform, if not over the whole extent of each canal, at least over considerable tracts of country; they cannot be differential in reference to the special advantages of each field. And uniform rates, applicable to extensive tracts, must necessarily be average rates of moderate pressure.

Next, in a country like the Doab, where wells may very generally be sunk, the water rate must bear some reference to the expense of providing irrigation from wells. The rate may be raised beyond the value of well water wherever there are great facilities for procuring it, and the spring-level is high. But if it be raised above the average value throughout the Doab, or even up to that value, the demand would probably lessen so as seriously to affect the income of the canal. The rates must be kept moderate to ensure the whole supply being taken up. Whatever water runs off unnecessarily by the escapes, is a loss not only of canal revenue, but of increased produce and revenue to the country.

There are indeed tracts where the sinking of wells is either from the great depth of the water, or some defect of the soil, impossible, or so expensive that they would not come practically into competition with the canal. Here, of course, the water rate could be raised without any reference to the value of well water. If a specially high rate were introduced in such tracts, water might be taken nevertheless; and the enhancement might be pressed so far that, before it actually reached the limit of throwing fields generally out of irrigation, the landlord's rent might be encroached upon and lowered. But it seems far from probable that differential rates will be applied to such tracts. If they ever should be so applied, and in point of fact reduce rent upon which extraordinary revenue was based, no doubt the landlord would have a claim to a corresponding reduction. But it would be a very great and extremely improbable increase that would produce this result.

Again, the canal once introduced gradually supersedes other kinds of irrigation; as Mr. Wynne remarks, "the choice lies between canal water and none at all." The cattle and gear required for the working of wells are superseded; wells disappear; and if a canal which,

* Mr. Crossthwaite very sensibly demonstrates "the impossibility of reaching the landlord's profits through the water rate." He says, "I do not think it possible to get their share of the increased assets indirectly by raising the water rate paid by the cultivator; at a certain limit, long before the landlord's profits are reached, the canal owner must, for his own sake, stop raising the rate."

† I say "generally," because there *might* be exceptional cases in which very *poor* lands cultivated only by canal water cheaply obtained, would, by a rise in the water rate, otherwise expedient on larger grounds, be thrown out of cultivation. But such cases would be very exceptional, and would not sensibly affect general results.

‡ There may possibly be some localities so naturally moist, that they produce crops nearly as good without as with canal water. It would be no great injury by a rise in the water rate to throw these out of irrigation, and (which is the point at present to be looked to) the rent would not be much affected thereby.

which, like the East Jumna Canal, has been long in use, were suddenly denied to the cultivator, he could not resume irrigation from wells at least for some considerable time. The cultivator so placed must thus take the canal water at any price, or leave his fields unirrigated.

He is frequently even more helplessly the slave of the canal. For the percolation from its bed and channels not seldom softens the soil, makes masonry wells decay and totter, and renders the sinking of *cutch* wells impracticable. Here estates, however easily irrigable from wells before the canal, are now from its effects incapable of well irrigation, and entirely dependent on the canal. In this instance, it would evidently be unjust, a profiting by its own wrong, for the department to enhance its rates above the natural expense of water as originally derived from wells. In either of the cases supposed in this and the preceding paragraphs, the matter would not be one of mere bargain between the canal officers and the cultivator, but one in which, the cultivator being at the mercy of the canal, it is the bounden duty of the Government to see that the demand is fair and moderate. To limit the water rate only by the willingness of the cultivator to pay, would be a course both unjust and dangerous.

4. In some quarters canal destroys wells

It is hardly necessary also to add that, in a great undertaking like that of a canal, there are certain other objects to be aimed at beyond direct income. If it were possible to devote the whole of the water to the production of sugar, indigo, cotton, &c., the increased income so obtained would not compensate for the abandonment of cereals, and the grand advantages expected from the canal in times of famine as a granary for the starving people, and a prop to the general revenues of the country. This may be taken as a reply to some of the theories in these papers; but really there is no conflict between two objects of a flourishing canal revenue and the public interests, for I believe that in practice a moderate water rate, such as will utilise the entire supply of water in ordinary years, will secure both the highest income, and also best attain the political benefits above adverted to. There is no risk of the rate being enhanced in any degree to sacrifice these cardinal objects.

5. Political considerations.

Considering, then, all the grounds which must practically forbid the imposition of excessive water rates, and restrict enhancement within moderate limits, it would appear that even with such enhancement the rents of landlords will, in future, rise very much as they have hitherto risen, on the introduction of canal irrigation. Even with existing low rates the rent for canal watered fields is not sensibly higher than for well irrigated fields. And for reasons already given, it appears that it is not likely to fall materially below that standard.

Moderate enhancement of water-rate will not materially affect rents, even prospectively.

As a settlement on canal assets would not prevent the Government raising its water rate, so neither would it impede the Canal Department in altering its channels for distribution. The withdrawal of water consequent on any such change would constitute a fair and equitable reason for remitting the portion of the land revenue recorded at settlement as having been assessed upon profits created by the canal. But the closure of the branch of a canal must be a rare and exceptional event; and it would occasion injury and distress far beyond the loss to Government in extraordinary land revenue. The extinction of property created by canal and dependent on it, and the cessation of the means of support of the population developed by the canal, would probably for a time imperil not merely the extraordinary, but even the ordinary land revenue. This, of course, would happen only in tracts where wells could not be easily substituted for the canal; but it would be only in such tracts also that rents, and the extraordinary revenue, would be sensibly affected by the withdrawal of the canal.

Alteration of canal channels.

On a review of what has been said, I conclude that the relinquishment of extraordinary land revenue would not be compensated by any special advantages, either of additional income from the water rate, or of freedom of action in closing branches of the canal. Moreover, the proposed system involves this cardinal objection that the land revenue of Government would be assessed on canal villages upon purely theoretical grounds, liable to vary with the views and fancies of each assessor. Assessment would become a conjectural process of guessing what might have taken place without the canal. Instead of proceeding upon any such vague and recondite principle, the present system takes the safe and substantial basis of existing assets; and the assessment framed thereon becomes the normal assessment; it being rarely and exceptionally that the estimate of extraordinary revenue [based on theory equally as in the other system] is looked to. In the one case the whole yearly demand from canal villages is founded upon guess-work; in the other, guess work comes into play, as an aid only on the possible occurrence of rare and unforeseen emergencies.* The proposed system appears to me thus not only to involve an unnecessary sacrifice of revenue, but to be itself objectionable in principle.

Objections to proposed system.

Looking now to the existing system, although I do not think that it is justly open to the objections above considered, I admit that exception may fairly be taken to it on two points—

Two objections admitted against existing system.

First.—It will leave the profits from increase of rental by irrigation introduced subsequent to settlement untouched; and,

Second.—It has the effect of making some settlement officers under-estimate the profits from canals, in other words it involves a loss in the "Extraordinary" portion of the land revenue.

The

* This point has been well brought out in a note by Mr. A. Colvin, submitted herewith.

Dated 5th December 1861, paragraphs 62 *et seq.*

Settlement officers under-estimate and under-assess canal profits.

Page 62 of printed collection.

Ordinary revenue assessed on hypothetical grounds.

II. Profits from future extension of canal irrigation untaxed.

Future profits not arising from exaction of landholders might consistently be taxed.

The first of these objections was anticipated in a paper on the permanent settlement which I wrote in 1861; the second, I confess, I did not anticipate.

But it is clear from the papers now before the Government, North-Western Provinces, that the present system may be liable to this objection. A settlement officer, with the principles asserted by Mr. Robert Currie, holds strongly in view (especially in the present condition of the Ganges Canal) the possible failure of canal irrigation,* and with the weighty feeling that he is making a settlement to hold good in perpetuity, shrinks from putting the full assessment on canal profits. It is true that, if the canal fail, Government has declared it will consider the claim for a corresponding remission; still, as the whole assessment is imposed absolutely, he feels it to be a sort of injustice to ask the zemindar to pledge himself in perpetuity to an assessment, "one of the elements of which is uncertain." Indeed, Mr. Williams, the Commissioner, makes it a point of common honesty, such as must influence every "conscientious" officer: "It must be borne in mind," he says, "that a conscientious settlement officer will not take half 'existing assets,' knowing that the canal is, and ever will be, and *should* be, regarded as an uncertainty." So likewise Mr. Money says, that assessments on canal profits are "*in practice much less than one-half*; for the settlement officer, in view of the uncertainty of the canal supply, *would not venture* in making a perpetual "settlement to include the whole of those assets in his estimate." The same observation occurred in a demi-official letter from Mr. Money stating to me his impressions upon the examination of the papers of many villages in Boolundshuhur. While according high praise to Mr. Robert Currie for the accuracy and intelligence shown in his proceedings, he added that, in consequence of the precarious nature of the supply of water, the full value had not been assumed for the profits arising from the canal.†

With these papers are put a series of notes by Mr. Currie, explanatory of his canal assessments. One cannot pursue these without perceiving upon what vague and uncertain grounds the extraordinary revenue has been estimated; how closely the ordinary assets are intermingled with the extraordinary; how the estimate of "natural capability" (*i. e.*, the latent resources which would have been developed even without the canal) must vary with the notions of each officer; how unsubstantial and unsatisfactory the result, at the best, must be; and how dangerous and unwarrantable is the proposal to relinquish to the landholder, upon these arbitrary and conjectural data, any portion of the Government share of the existing rental.‡ The manner in which revenue fairly claimable by Government may be given up in consequence of mere theoretical assumption will be abundantly evident from these notes.

Before considering whether any remedy can be applied to this tendency of under-estimating canal assets, I turn to the other objections above noticed, namely, that canal profits from irrigation introduced subsequent to settlement will escape assessment; thus involving two defects; (1.) Government loses the revenue due from such profits; (2.) estates so circumstanced will become more profitable than others, and the incidence of the land tax unequal.

In a permanent settlement, or even one for 30 years, it is impossible by any arrangement accurately to estimate the latent resources and capacities for improvement in different estates, and to anticipate the circumstances under which these, variously developed, must produce

* The *uncertainty* of the canal supply is, I think, pressed beyond its proper force. The supply on the East Jumna Canal has long been practically constant and steady, and so no doubt will that of the Ganges Canal, although the measures now in contemplation, will probably for a time occasion an embarrassing interruption. It is the prospect of this interruption, I conceive, which weighs so heavily on some of the writers.

Besides, it is quite optional with the zemindars to accept the assessment in perpetuity, or only 30 years; and as they are said to have a lively apprehension of the canal failing, they are not likely to under-estimate the risk. If they elect for a permanent settlement, they do so with their eyes open.

† Such a result might be produced in two ways: (1) the *ordinary* jumma might be pitched too high, and the canal jumma too low, without affecting the land revenue. The settlement here would be faulty in principle, though the error would not be so fatal; as (2) where the *aggregate* demand is, by under-estimating the canal profits, pitched altogether too low. This latter is the result to which Mr. Currie's principles would tend. A deduction is first made from the existing average profits in consideration of the canal being precarious; the land revenue is then assessed on the remainder; the diminution of revenue thus falls upon the extraordinary portion of the jumma.

Mr. Money writes, "As a rule, he (Mr. Currie) has not demanded the full increase that might be assessed on existing canal assets, because he has regarded the canal supply as fluctuating and uncertain. His jummas, exclusive of canal irrigation, are generally about the same as the old demand which was assessed and paid before the canal was in existence, and which was generally fair and moderate." On this it might be observed that the old jummas were calculated at a higher standard than is now observed; and that there must consequently at the present settlement, have been a decrease of revenue if the resources had not since the previous settlement, increased: and credit may fairly be taken by the canal for a portion of such increased resources.

‡ For example, I recollect the case of a village in the Mozaffernugger District, which, many years ago, appealed for a remission of revenue on account of land swamped by the East Jumna Canal. On inquiry, it turned out that the loss had been so enormously counterbalanced by canal irrigation, that the assets has increased four or fivefold. But though it was quite certain that this prosperity was mainly attributable to the canal, it could not be stated, with even any approach to exactness, *what* portion was due to the canal. Had there been no canal, still wells might have been dug; sugar-cane might, to some extent, have been grown; new lands might, perhaps, have been broken up, and the assets would, undoubtedly, have increased in proportion; but what exact proportion of increase would have been attained without the canal, and what the remainder due to the canal, are points which no human sagacity could, with any precision, determine. Yet it is this which our settlement officers are, on the proposed plan, in every case to determine.

produce more or less of inequality of assessment. It was very forcibly put by the late Colonel Baird Smith that such variations could not be prevented without introducing a greater evil by continual interference, and checking the grand motive to exertion which the permanent limitation of the Government demand is expected to create. I fully admit, however, the prosperity from the influence of canals is an advantage which comes to the people with little or no exertion on their part; there is, therefore, in principle no reason why profits from this source should not be laid under contribution, and the inequality of assessment arising from this cause reduced, so far as may be compatible with the principles of a permanent settlement.

I do not, however, see that the projected system would obviate inequality more than the present; it would, indeed, as it seems to me, only make the inequalities more numerous. We now start with an equal settlement all over; the canal villages pay at the same rate as others; the inequality will arise only *in the future* from the extension of canal water to lands not now irrigated. But, in the proposed plan, we should at once set out with an unequal settlement; the canal villages would be more highly assessed than others by the whole amount of their canal profits, while the case of villages subsequently irrigated would be precisely as under the present system.

Proposed system more faulty in this respect than present system.

Formerly canal profits came periodically under assessment, and thus at each re-settlement yielded a full revenue to Government. As that will no longer be practicable in estates permanently assessed, and the increased profits arising from tracts brought under irrigation subsequent to settlement would thus escape assessment, it has been proposed in lieu of the advantage thus arising to the landlord to levy a *higher water rate* upon such tracts.* But on a consideration of the arguments advanced above, I am now doubtful whether the increased water rate would adequately meet the object in view. No such increase of water rate, as the Canal Department would venture to impose, will prevent the zemindar from asserting his claim to an increased rent; and rents will consequently go on in the future to rise and adjust themselves to the new state of things very much as they have been doing already. If the rental be kept down by a high canal rate, it will be only in exceptional cases, or in a very limited degree. There always will be a surplus rental realised by the zemindar. It is this which we wish to reach. And, as Mr. Crossthwaite has shown, it is "impossible to reach the landlord's profits through the water rate." If Government is to share in these profits, it must be by some other arrangement, bearing not on the cultivator but on the landlord.

Differential water rates will not suffice.

I believe that a plan, something of the kind suggested by Mr. Crossthwaite, would to some extent secure this object. The following is a brief sketch of it:—

The assessment would be based, as at present, on the existing average assets whether attributable to the canal or not. The area of canal irrigation would then be looked to. A deduction would be made for fields formerly irrigated from wells, or otherwise than by the canal, but now irrigated by the canal; because the rental of such land is not materially altered by the change. Taking the area of canal irrigation remaining, the settlement officer would calculate approximately what average increase of assets is derived from it by the landholder, which would probably not have been realised had there been no canal. The assessment upon this would be estimated in the usual way, and the result recorded as "Extraordinary" (or Canal) Land Revenue. The remainder would be the "Ordinary" Land Revenue.

Plan suggested to meet these objections.

So far the new process would not materially differ from the present—take an example from Mr. Currie's statement. The rental of Bhutola Hajeeopore is found to be 1,300 rupees; of this, it is estimated that 450 rupees are due exclusively to the canal; and 850 rupees, the normal rental independent of the canal. Say that the area under canal irrigation is 200 acres; 50 acres were formerly irrigated from wells; so that 150 acres is the area, the rental of which has been enhanced by the canal. This area brings in an extra rental of 450 rupees, assessable at 225 rupees.

The entire assessment on the assets is 650 rupees, of which 225 rupees are recorded as Extraordinary Land Revenue, and the balance, 425 rupees, as Ordinary Land Revenue.

The Extraordinary Revenue, 225 rupees (which, under Mr. Currie's system, would be remitted to the landlord), constitutes an integral part of the Land Revenue; though in the State accounts it would be shown to the credit of the canal. In case the canal failed, or for any cause the village were cut off from the canal, there would be a *prima facie* claim for remission based on the amount of Extraordinary Revenue. The remission might be more or it might be less, according as the failure might show experimentally that the theoretical analysis of the settlement officer was sufficient or otherwise.

But

* This proposal, called, in the accompanying papers, "the system of differential rates," has been much misunderstood. It does not seem to have been contemplated to apply different sets of rates to the same villages, but to different and separate tracts. Higher rates might, *e. g.*, have been demanded on the Furruckabad branch of the Ganges canal than on the main canal, because that branch was not constructed at the time of the settlement. The proposal was intended to catch some of the new profits and increased rental gained by the landlord. The system would have answered for a Ryotwarree settlement; but as the water rate will not in practice extinguish the zemindar's increase of rent, and is taken from the cultivator, not from the landlord, the system would fail to attain the object in view, namely, to lay under contribution the increased rental obtained by the landlord.

But suppose the contrary to happen, and the canal steadily to bring an increasing area under irrigation, is the landlord to benefit in the whole increase of rental without any increased payment to Government?—Under present rules he will do so, because it was thought that the reservation of a right to increase the demand on this account would create distrust, and nullify the benefits of a settlement in perpetuity.

Proposal to tax future extension of canal irrigation at the acreage rate of Extraordinary Revenue.

If, however, these profits could be taxed according to a fixed rate easily applied, the objection might be obviated. The proposal now submitted is to apply the rate at which the Extraordinary Revenue falls on the area irrigated by the canal as an acreage rate according to which the area hereafter brought under canal irrigation would be assessed with additional Extraordinary Revenue. But taking the analogous rule for enhanced profit by alluvion from rivers, no change would be made until the area under canal irrigation should exceed that at the last settlement by a large per-centage, say 20 per cent. Wherever the average area, as found, say quinquennially from the accounts of the Irrigation Department, is found to be in excess of that per-centage, the Extraordinary Revenue would be adjusted accordingly. A corresponding revision and reduction would be granted in case the area were *reduced* more than 20 per cent., from causes beyond the control of the agricultural population.

Area to be the quinquennial average of canal returns.

To obviate frequency of change, it might be provided that no revision would be claimable on either side at shorter periods, than say five years, (or it might be seven or ten); and that the calculation would then be on the *average* of the yearly returns of the Canal Department for such period. Casual fluctuations would thus be left out of account, and the adjustment would be on average capability as from time to time found to be developed by the canal. The extraordinary profits of the landlord would be brought under contribution by a fixed and certain rule; while, at the same time, no alteration would be made suddenly, or upon any temporary and unimportant increase of irrigation.

Take as an illustration the case of Bhutola above referred to. The canal area is 150 acres; the Extraordinary Revenue, 225 rupees; the average rate is, therefore, Rs. 1.8. No alteration would be made, so long as the increase of irrigation did not exceed 20 per cent., *i. e.*, 30 acres. But supposing the average irrigation to increase from 150 to 300 acres, then the acreage rate would give an Extraordinary Revenue of 450 rupees, instead of 225; and the aggregate jumma would rise from 650 rupees to 875 rupees, the whole, of course, being collected as Land Revenue from the landlord.

In case the water rate were charged by measure [paymana] or by contract, the same proportion would be observed as exists between the charge as made by the Canal Department, and the estimated area represented thereby; the object being simply to realise from the landlord an additional rate, corresponding with the amount of water rate collected from the cultivator.

The same system could be adapted to new canals, or new branches of existing canals. The stipulation here would be that, in case lands were brought under irrigation from a canal, they would be liable to be assessed to the Land Revenue Extraordinary, by the application of an acreage rate not exceeding the difference between the average of the dry and of the wet rates for the village or pergunnah as assumed at Settlement. Only in tracts where irrigation is unknown (as in Bundelkhand, if a canal is ever constructed there), would it be necessary to determine a new rate for the purpose?

Zemindar's increase of rental would thus be assessed approximately.

By this system the profits of the zemindars would be made roughly to yield a revenue to Government, and the inequality of assessment which results from leaving them wholly untaxed would be so far obviated. It is not pretended that any such assessment would be exactly proportioned to the profits in each case. These vary so greatly that no average could bring them fully under adequate assessment. Thus when canal water is substituted for wells, there is little or no gain.* Dry cultivation changed into wet brings a large profit, but it will vary with the soil. Where waste lands are brought under the plough, and irrigated from the canal, the gains from the newly created rental are the largest of all. But to assess the landlord in each case in exact proportion to the profit would be, in reality, to make a new settlement of the land revenue—a proceeding inconsistent with the principles of a permanent settlement. We must either, therefore, relinquish the permanent settlement in all canal villages, or be content with a measure which gives only approximate results.

Data those on which water rate had already been collected.

It has been objected that the system would involve inquisition and interference, opportunities of fraud, &c. But under ordinary circumstances no measurements or inquisition would be needed. The data would be supplied complete by the Canal Department. That Department must make a yearly survey of the area under irrigation, or in some other way, by measure, contract, &c., determine the amount of canal assessment. If those data are sufficiently accurate for the imposition of the water rate, they must equally supply a satisfactory basis for the new demand, which is intended to be supplemental to the water rate.

Supposing

* Where the people are obliged, whether they will or not, to use canal water, in consequence of the destruction of their wells, and the impossibility of working new ones, a suitable consideration would be required in the adjustment of the Extraordinary Revenue on extended irrigation so caused. But in other respects, there would be nothing inequitable in charging the ordinary rate on this class of lands; and it would have the advantage of making the people keep as much as possible to their wells, and thus saving the canal water for other places where more urgently required.

Supposing this system to be sufficient to meet the claims of Government, would it, on the other hand, be in any way inconsistent with the principles of the permanent settlement, and by introducing an element of uncertainty detract from the motives to industry, and improvement anticipated from that measure? To this it may be answered that the elements of uncertainty are almost entirely eliminated. The acreage rate would be a fixed rate. The area to which it would be applied is a known quantity, already recorded by authority as the basis of the water rate—a much larger demand of cognate character. If the collection of canal revenue by imposition of the water rate is not inconsistent with the permanent settlement, where the landlord and tenant are often one and the same person, the imposition of another rate on the landlord, based on the same data, may be admitted as innocuous. If the assessment were in any measure levied, or could be enhanced, in reference to improvements *brought about by the capital or labour of either the landlord or tenant*, it would be open to objection: but no such result is possible. The people would reap the whole benefit of their own capital and their own exertions, and only a light tax would be imposed for benefits acquired alone through the agency of the State.

The tax would be certain, and would not be on profits produced by exertions of landlord or tenant.

Under the proposed system, the feeling which now weighs with some settlement officers to under-estimate the Extraordinary Revenue would no longer find any countenance. However scrupulous the assessing officer, he would, without hesitation, levy the full share of Government upon the canal profits, because he would know that, if the canal irrigation fell off to any material degree, the landlord would be entitled to call for a revision of his assessment.

If, notwithstanding what has been advanced in favour of this scheme, it be deemed to involve a degree of variability in the Government demand inconsistent with a permanent settlement, I see no resource but to leave the existing system as it stands. But in this event, settlement officers should be warned that canal profits are not to be under-estimated from any apprehension as to their uncertainty; the State taking upon itself the responsibility of the assurance that, wherever the supply fails, due attention will be given to a readjustment of the revenue, correspondent with the extent of loss and failure.

The only apparent alternative, adherence to existing system.

Simla, 10 May 1865.

W. Muir.

From A. M. Monteath, Esq., Under Secretary to the Government of India, to R. Simson, Esq., Secretary to the Government of the North-Western Provinces (No. 496); dated Simla, 27th July 1865.

I AM directed to acknowledge the receipt of your letter, No. 648, dated the 30th ultimo, and in reply to state that the Governor General in Council approves of the views of the Lieutenant Governor on the question of permanent settlement in relation to canal irrigation as expressed in the resolution received with the communication under acknowledgment.

Home Department—Revenue.—No. 1666.

From E. C. Bayley, Esq., Secretary to the Government of India, to R. Simson, Esq., Secretary to the Government, N. W. P.

Sir,

Simla, 19 June 1865.

I AM directed by the Right Honourable the Governor General in Council to transmit for the guidance of his Honor the Lieutenant Governor, the copy of a Despatch from the Right Honourable the Secretary of State, No. 11, dated 24th March last, having reference to the discussions which have passed on the subject of a permanent settlement of the land revenue, and laying down definitively the principles on which it is to be concluded.

2. His Excellency in Council requests that the Lieutenant Governor will issue instructions to all officers concerned in the settlement of the land revenue, in conformity with paragraphs 18, 19, and 21 of the above Despatch, and with due advertence to the subjoined remarks and injunctions.

3. His Honor will observe that the existing rules have been modified to the following extent.

4. Assessments, to be confirmed in perpetuity, must be at a fixed amount, calculated with a reference to existing assets. No progressive assessment will therefore be admissible, under any circumstances, to settlement in perpetuity.

5. But while the settlement is to be concluded, in reference to the present value of an estate, the settlement officer will not necessarily be restricted to 50 per cent. of its estimated value or gross rental; the jumma may be slightly in excess of the sum which would have

450.

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been

been assessed, had the settlement been only for a term of years. In illustration of this rule, the Secretary of State has quoted a remark by Mr. Money, who observes that existing settlements, being formed at 66 per cent. of estimated assets, "there is no hardship in making a settlement in perpetuity at not more than 60, when land is readily available to reduce the rate to 50."

6. But his Excellency in Council commands me to impress upon the Settlement Department the necessity of using this discretion with extreme judgment and caution. No assessment should be made upon the strength of unreclaimed land, under any circumstances, until the Assessing Officer shall have personally examined the soil, and assured himself that it may be easily and profitably brought under tillage. The addition to the assessment should also invariably be *within* the full estimate of prospective improvement.

7. Where an estate has been assessed upon these principles, it will be offered to the proprietor at the jumma so fixed in perpetuity. Should the assessment on these terms be refused, the Collector will reconsider the case, and make a settlement under the ordinary rules for 30 years.

8. It will be understood that, as a general limit, the permanent settlement will be restricted to estates in which not more than 20 per cent. of the fairly culturable land remains unreclaimed, as explained under the existing rule on that head.

9. Para. 19 of the Secretary of State's Despatch refers to the term of settlement for backward tracts. This will be a point for the consideration of his Honor the Lieutenant Governor, in regard to the peculiar circumstances of each tract or district. His Excellency would only remark that where an assessment can be fixed, fair at once to the Government and the proprietor, with reference to the general resources and condition of an estate, the term of settlement should not be less than 30 years.

10. It will be observed that where the settlement is made for a term and not in perpetuity, no guarantee or expectation is to be held out as to the conditions of the settlement which will be made by Government at the close of the term. Such parts of the existing orders as are inconsistent with this rule, must be held cancelled.

11. Para. 21 relates to the subject of mines and minerals. The ruling contained in my letter of 1st December last will be observed. A clause will be inserted in the settlement engagement reserving the right of Government to its share, as revenue, in the produce of mines and minerals. And in the case of mines and minerals in waste lands, instructions will be hereafter issued. Meanwhile, Rule 12* of the Waste Land Rules must govern all grants, so long as those rules are in force in their present shape.

* Of Resolution of the 17th October 1861.

(Revenue.—No. 17.)

To His Excellency the Right Honourable the Governor General of *India*
in Council.

Sir,

India Office,
London, 17 March 1866.

Para. 1. I HAVE had under my consideration in Council the Despatch from your Excellency in Council, dated the 3rd August last (No. 25), in which you inform me of the orders issued by you to the Lieutenant Governor of the North-Western Provinces, on the receipt of Sir Charles Wood's Despatch of the 24th of March last (No. 11), in regard to the proposed permanent settlement of that portion of territory. You also forward a series of correspondence having relation to the mode in which the permanent settlement of estates which have not yet received the full benefit, or, perhaps, any benefit, from the irrigation which they may hereafter obtain from the Ganges, Jumna, or other canals may be effected.

2. Before proceeding to consider this question, I may at once inform you that I approve the instructions conveyed in your Secretary's letter of the 19th June 1865, to the Lieutenant Governor, in regard to the permanent settlement of the North-Western Provinces.

3. I observe that the Lieutenant Governor, in his Resolution of the 30th June 1865, has determined to maintain "the present system, which is the matured result of the experience of many years, and is well understood both by the officers of Government and by the people;" and he rejects any attempt to secure to the State a share in the profits accruing from tracts brought under canal irrigation subsequent to permanent settlement, unless, possibly, in the shape of a special charge



CHART Nº IX.
SHEWING THE
AREAS PROTECTED FROM EFFECTS OF DROUGHT
IN THE
NORTH WESTERN PROVINCES AND PUNJAB
By existing Canals Completed or in Progress
AND THE
AREAS WHICH ADMIT OF BEING SO PROTECTED BY NEW WORKS.

SCALE 32 MILES 1 INCH.
50 40 30 20 10 0 50 100 150 MILES.

REFERENCES.

- Blue Colors shew Protected Areas.
- Full Blue Lines shew Canals in Operation.
- Full Black Lines shew Canals in course of Construction.
- Dotted Black Lines shew possible Canals suggested for Examination.
- British Boundaries shewn in Red.
- Independent States shewn in Green.

(Signed) R. Baird Smith, Colonel.
On Special Duty.
14th August, 1861.

(True Copy.) *W. H. Miller, Secy.*

charge on landlords for irrigation, over and above the water rates, to be levied by officers of the Canal Department.

4. To these arrangements your Excellency in Council has given your approval.

5. The "present system," which your Excellency in Council has resolved to maintain, is defined by Mr. Muir as consisting in assessing the lands at half of their average assets, however created, whether through canal irrigation or otherwise; in other words, in taking one half of the entire rental received by the landlord as the Government share.

6. I quite agree with the Lieutenant Governor in considering that it would be incompatible with the idea of a permanent settlement to insert a condition in the sunnud, under which all lands hereafter brought under irrigation should be subjected to the same acreage rate as those already irrigated; and it seems to me that the same objection applies to the plan referred to by him of making a special charge upon landlords for irrigation, over and above the water rates, which are paid by the cultivators for the use of the water which is supplied to them. I cannot but think that the principle of a permanent settlement would be vitiated if the jumma originally fixed is to be hereafter liable to be increased by the imposition either of an augmented assessment, or of a special charge for water rate; and it would, probably, be indifferent to the landlord in what shape the additional impost was demanded.

7. It appears to me, however, that, unless suitable precautions are taken, great inequalities of assessment must follow from the plan proposed to be pursued by the Lieutenant Governor. Assume the case of two estates, equal in extent and natural capability, of which one is under the full influence of the canal, while the means of irrigation have not yet reached the other. The first estate may, without irrigation, have produced a rental of 3,000 rupees per annum, which, from the ready supply of water, has been increased to 5,000 rupees per annum. Under the "present system" the permanent jumma, supposing the estate to be cultivated up to the prescribed limit, would be fixed at 2,500 rupees per annum. The second estate, however, in its unimproved condition, would be liable only to a permanent jumma of 1,500 rupees per annum, although containing land capable of raising the rental to 5,000 rupees per annum, whenever the means of irrigation should be supplied to it. In a few years, therefore, the two estates will produce an equal rental, when the landlord of the first will contribute to the State 2,500 rupees per annum, and the owner of the second will continue to hold his estate at the original jumma of only 1,500 rupees.

8. In order to obviate this state of things, to ensure as near an approach to equality in future assessments as may be practicable, and to provide for the just claims of the State when the condition of such estates shall have been improved by the application of canal water, it appears to me that some rule should be laid down analogous to that prescribed in regard to the extent of cultivation required before an estate can be admitted to permanent settlement. Under paragraph 18 of Sir Charles Wood's Despatch, of the 24th March (No. 11) 1865, no estate of which the actual cultivation amounts to less than 80 per cent. of the cultivable or malgoozaree area, is admissible to a settlement in perpetuity. In like manner, a rule might be laid down that no permanent settlement should be concluded for any estate, the assets of which would, when canal irrigation shall have been carried to the full extent at present contemplated, exceed, in the opinion of the officers of the Settlement and Irrigation Departments, the existing assets in a proportion exceeding 20 per cent. All such estates should, as in the case of estates in which the cultivation is not fully developed, be treated in the ordinary manner, and settled on the present assets for such term, not exceeding 30 years, as you may determine on.

9. I desire that this question may be carefully considered, and the result communicated to me.

I have, &c.
(signed) *De Grey and Ripon.*

(Home Department—Revenue—No. 29 of 1866.)

To the Right Honourable Viscount *Cranborne*, Secretary of State for India.

My Lord,

20 November 1866.

WE duly received the Despatch of the Earl de Grey and Ripon, No. 17, dated 17th March last, on the principles to be observed in the permanent settlement of estates affected by canal irrigation. Before coming to a decision on this important question, we deemed it advisable to call for the opinion of the Lieutenant Governor, North-Western Provinces, after consultation with the chief revenue and canal authorities under his control. This we have now received; and we forward a copy of the Despatch from the Government, North-Western Provinces, and of its enclosures, for your Lordship's consideration.

2. It will be remembered that Her Majesty's Government coincided with our view that the assessments of the permanent settlement were to be framed on the general principle of taking half the assets, however created; and that no demand in the shape of an acreage rate, or special charge, should hereafter be imposed on the landlords for additional lands brought under irrigation, beyond the ordinary water rate charged by the canal authorities.

3. It is obvious, however, that under this system the assets of an estate, not open to canal irrigation at the time of settlement, might be greatly increased at any future period by canal water being led into it; and that if such settlement be made permanent, inequality of assessment and loss to Government will be the result. It was, therefore, proposed by Lord de Grey and Ripon to exclude from the permanent settlement estates "the assets of which would, when canal irrigation shall have been carried to the full extent at present contemplated, exceed, in the opinion of the officers of the Settlement and Irrigation Departments, the existing assets in a proportion exceeding 20 per cent.;" the rule being based on the analogy of that which requires as a condition of permanent assessment that four-fifths of the culturable area be under cultivation.

4. The reports now submitted for your Lordship's consideration are, upon the whole, adverse to this proposal; the opinion of the Lieutenant Governor is very decidedly so.

5. The view urged by the Sudder Board of Revenue, at Allahabad, requires special discussion. Premising that it has been enjoined authoritatively that 80 per cent. of an estate must be under cultivation to qualify it for permanent assessment, and that a corresponding ratio has now been proposed by the late Secretary of State in respect of canal irrigation, they recommend that the principle be extended and generalised, and that a like rule be applied to every class of possible improvements. Thus, by means of wells, embankments, drainage, watercourses, manure, location of cultivators, &c., the value of any estate may be improved till it reaches the maximum or extreme potential limit of excellence. The Board's plan is that the settlement officer shall fix this potential limit on a consideration of all possible future improvements for each estate as it comes under settlement; and if, at the time being, the estate has not reached to within 20 per cent. of such limit, then the privilege of a permanent settlement shall be refused. The Board think that, if the general principle were thus broadly laid down, the necessity for any special rule in reference to canal irrigation would be superseded.

6. But we are of opinion that there would be grave objection to any plan of this kind. It would be a matter of extreme difficulty to establish any practical standard of possible improvement that might be accomplished by means of skilled labour and capital: the process would be purely theoretical; and the upshot, matter of mere opinion or conjecture. We should strongly object to the benefits of a permanent settlement being curtailed and neutralised upon such loose and vague grounds.

7. But the leading objection to any such scheme is that it would remove from the grand measure in contemplation the very class of properties it is calculated chiefly to benefit. Where estates have reached, or nearly reached, the limit of possible

possible improvement, there the motives created by a permanent limitation of the Government demand are not needed, or are needed but in a very inferior degree. It is with the express object of stimulating the investment of capital, and the application of skill and labour in landed improvement, that it has been proposed to make the assessment permanent. True, a certain measure of development is required as a preliminary to this concession; and reasonably so, for otherwise the finances would unduly suffer. This principle has been recognized from the period when the measure was first proposed for the North-Western Provinces.* But such a limitation is very different from the principle advocated by the Board; a principle that would altogether circumscribe the action of the permanent settlement, and strip it of the chief value and merit to which it lays claim. To adopt such a measure would be virtually to recede from the promise already held out of a permanent assessment.

8. There is, however, a broad and clear distinction between improvements of the general character above adverted to, and the improvement occasioned by canals. It is the object of the permanent settlement, in leaving the enhanced profit raised by the skill, exertion, and capital of the occupant entirely in his hands, to create the most powerful incentive to the progress and prosperity of the country; but in the case of canal irrigation, the benefit is created without any application of skill, exertion, or capital on the part of the occupant. The water is brought to his door; the value of his fields is enhanced by virtue of the labour, skill, and capital of others.

9. Improvement from canal irrigation is, therefore, entirely different from improvements made by the agricultural population. Of the former, "the profits are in no sense, or in a very limited sense, the result of expenditure of capital by the proprietor. It is the capital of the community which has produced these results; and the community at large, that is the State, is entitled to share in the profits."† Canal irrigation, then, is not one of the improvements which the permanent settlement is intended to create; and, in so far, the argument for a permanent limitation of assessment will not apply to enhanced profits expected from its extension.

10. The only point open to discussion is, whether it would be expedient to enforce the right of the State to share in such profits; whether, in point of fact, we could do so without infringing the essential principles of a permanent settlement; or whether we should not rather unsettle the expectations of the people, introduce an element of uncertainty inconsistent with the absolute fixity of the land revenue, and so mar the measure.

11. We presume that there will be, at this stage of the discussion, no disposition to reconsider the decision we have already arrived at with the sanction of Her Majesty's Government, negating any attempt to recoup the Government in its prospective loss of revenue by a special acreage rate or charge upon the landlord.‡ There remains, then, for inquiry, only the proposal contained in Lord De Grey's Despatch, to remove from permanent assessment all estates which, when canal irrigation shall have been carried to the full extent now contemplated, may be expected to have their assets increased thereby more than 20 per cent.

12. If this principle be limited to such tracts as will certainly, or with reasonable likelihood within a definite period, come under the influence of canal irrigation, we do not apprehend injury or harm from its application; and it will certainly, to some extent, guard the financial interests of Government and promote uniformity of assessment. But the expression made use of in Lord De Grey's Despatch,

* Regulation IX., 1805, sections 7 and 24. The permanent settlement then proposed was to have been restricted to "such lands as shall be in a state of cultivation sufficiently advanced to render it proper to fix the assessment on the same in perpetuity."

† Minute by Mr. Muir, dated 5th December 1861, paragraph 63. See also note at p. 16 of the same Minute.

‡ See the Honourable Mr. Drummond's Minute, dated 30th June 1865, and his present Minute, paragraph 13. And Mr. Muir's note, dated 10th May 1865, page 10 *et seq.* Also paragraph 73 *et seq.*, of Minute dated 5th December 1861, quoted above.

Despatch, "full extent now contemplated," is vague; and if thereby it is the intention to extend the principle to projects in mere contemplation—if the bare possibility of a region being at some future period visited by an intended canal, or some new branch of an existing canal, be regarded a sufficient reason for withholding permanence of assessment, then we concur wholly with the Lieutenant Governor that the proposed limitation will prove injurious, and, to a very material extent (so far as the Doab is concerned), abrogate the boon already held out of a permanent land revenue assessment.

13. We would submit for your Lordship's consideration that the analogy of the rule for waste lands, which apparently suggested the present proposal, is not altogether apt and complete. With waste land the point is easily ascertained. It is only necessary to consult the record of measurement to determine whether four-fifths of the assessable area is already under cultivation; and whether, according to the rule, the estate is qualified for permanent settlement or not. With irrigation the case is entirely different. Where the system of *rajhuhas* (subsidiary watercourses) is complete, or under early orders for completion, there the expected enhancement may be matter of approximate estimate. But where a work is contemplated, but not yet laid out, it would be hardly possible to say what areas are likely to come under irrigation. It would be necessary to exclude whole tracts, and that upon a basis contingent and conjectural. The financial results involved are shown by the Lieutenant Governor to be altogether disproportionate to the injury and disappointment thus entailed.

14. But if, as we have suggested above, in the opening sentence of paragraph 12, the measure be limited in its operation, we think that it might unobjectionably, and with some advantage, be carried out in the following manner. It would in the first place devolve upon the Irrigation Department to indicate, upon a large district or *pergunnah* map, the limits to which canal irrigation will certainly, or with reasonable probability, extend within a given period, say five or six years. The settlement officer would then prepare a list of estates falling within the line of canal irrigation. From this he would strike out all estates which, from his own knowledge, were, on an approximate estimate, irrigated either from wells or canal water up to the standard indicated in the Despatch under reply. Of the remainder he would send the village maps (showing field boundaries) to the canal officer, who, from scientific survey and knowledge of the canal levels and slope of the country, would be able to estimate and mark off on the village maps the area likely to come under the influence of canal irrigation. Comparing this with the area of each estate already watered from wells and its general resources, the settlement officer would now be in a position to say with tolerable certainty whether the canal was likely to increase the assets by more than 20 per cent., and whether there should, under the proposed rule, be a permanent settlement or not.

15. We submit, however, that it would be more in analogy with the rule for waste lands if the proportion were fixed at one-fourth, or 25 per cent. The condition in case of waste is that 80 per cent. shall be cultivated, leaving a margin of 20 per cent. (or one-fourth of the existing area of cultivation) for future improvement.

16. Where estates are, under the above rule, excluded from permanent settlement, it might be advisable to limit the engagement to 10 or 15 years; within which period the expectations of the irrigation and revenue officers, as to extended use of canal water, would, no doubt, be realised.

17. Such is a general outline of the rules which we submit for your Lordship's consideration. We should greatly deplore any arrangement calculated to limit largely the bounds to which the permanent settlement would otherwise extend. When we consider, on the one hand, the great social and political benefits to be looked for from a permanent settlement in the North-Western Provinces; and, on the other, to the revenue which Government will save by no longer having to incur the cost of periodical survey and assessments, and by the results of the larger application of industry and capital that must materially mitigate the pressure of famine in years of drought, we do not doubt that, even in a financial point of view, the measure will prove advantageous to the Government.

Having

Having now held these provinces upwards of 60 years, we have ample means for effecting a fair and equitable assessment of the land revenue in perpetuity; and we earnestly trust that no conditions may be imposed to shackle this great work, or mar its success.

We have, &c.
 (signed) *John Lawrence.*
W. R. Mansfield.
W. Grey.
G. N. Taylor.
W. N. Massey.
H. M. Durand.

From *R. Simson*, Esq., Secretary to the Government of the North-Western Provinces, to *E. C. Bayley*, Esq., Secretary to the Government of India, Simla (No. 858A); dated Nynce Tal, 28th September 1866.

I AM directed to acknowledge receipt of your letter, No. 701, dated 9th May last, with its enclosure, and in reply to forward copies of the papers noted on the margin, together with a Minute recorded by the Honourable the Lieutenant-Governor, containing the opinion of his Honor upon the proposal to exclude from permanent settlement all estates the assets of which would, when canal irrigation had reached its limit, exceed the existing assets by more than 20 per cent.

From Sudder Board of Revenue, North-Western Provinces, No. 541, dated 31st August 1866, and enclosures.

From Secretary to Government, Public Works Department, Irrigation Branch, North-Western Provinces, No. 4091, dated 26th July 1866, with enclosure.

From the Secretary to the Board of Revenue, North-Western Provinces, to *R. Simson*, Esq., Secretary to the Government of the North-Western Provinces (No. 541); dated Allahabad, 31st August 1866.

IN the orders of Government, No. 386A, dated 23rd May last, Revenue Department, the Board are called upon to report on the suggestion contained in the 8th paragraph of the Despatch of the Right Honourable the Secretary of State, No. 17, of the 17th March 1866.

Present :
 C. B. Thornhill, Esq., Senior Member,
 and
 R. N. Cust, Esq., Junior Member.

2. The suggestion is, "that a rule might be laid down that no permanent settlement should be concluded for any estate, the assets of which would, when canal irrigation shall have been carried to the full extent at present contemplated, exceed, in the opinion of the officers of the Settlement and Irrigation Departments, the existing assets in a proportion exceeding 20 per cent."

3. In dealing with this question it is necessary to bear in mind that assets (*i. e.*, the rent roll) of an estate are ordinarily increased by canal irrigation only when that irrigation is supplied to land which was previously without artificial irrigation.

4. The landlord has no concern with the source of irrigation; whenever he finds land artificially watered, he demands the enhanced rate of rent for it; consequently when canal water is, from its cheapness, substituted for water previously drawn from wells, the difference between the canal water rate and the cost of well irrigation is a clear profit to the cultivator, the landlord obtains no share of it, nor is the Government land revenue benefited.

5. In estimating the effect of extension of canal irrigation upon assets or rent, we must know not only the area to which it will be extended, but the unirrigated area which will be benefited.

6. It seems very essential that this should be prominently noticed, because there is a vague impression abroad that the canal does not obtain the credit to which it is entitled for the increase to the "land revenue" justly attributable to its operations.

7. In Colonel Dyas's Memorandum, forwarded under the endorsement of the Junior Secretary to Government, No. 638 of the 6th instant, it is stated that, when the full supply of between 6,000 and 7,000 cubic feet of discharge is obtained per second, and the standard of 296 acres of irrigated area per cubic foot per second is worked up to, the Ganges Canal will irrigate two millions of acres, which, at four rupees an acre, will bring in a direct revenue, from irrigation alone, of 80 lakhs of rupees per annum.

8. Colonel Dyas then goes on to say that Government ought not to relinquish its claim to share in the agricultural profits created by works of irrigation. It is here apparently assumed that increased rates of rent (which alone would entitle the Government to a share in the profit) is the invariable result of canal irrigation. This, however, is not a necessary consequence, as the profits or difference between the cost of well and canal irrigation are taken by the cultivator.

9. To take the most favourable view, it may be assumed roughly that the rent paid by cultivators for irrigated land is double that which is paid for unirrigated, say eight rupees for irrigated, and four rupees for unirrigated. Then, if the canal converted 2,000,000 acres of unirrigated land into irrigated, it would double the rents paid to the zemindars; in round numbers, say it would put 80 lakhs into their pockets, and on revision of settlement one-half of this, or 40 lakhs, might be claimed by Government as its share of the increase; and the canal should fairly be credited with this amount, in addition to the 80 lakhs which it would receive as direct water rent.

10. But if the canal water should be distributed to those localities only where well irrigation had been previously practised, the increase to the rents would be absolutely nothing, and there would be no prospect of any increase to the Government land revenue from this cause.

11. If, then, the canal officers desire to credit the Irrigation Department with its share of enhanced revenue from the land, it is of primary importance that their attention should be directed to bestowing water upon those localities where irrigation from other sources has hitherto been impracticable.

12. So long as the canal water merely supplants well water, the land revenue gains nothing; and in estimating the possibility of existing assets being hereafter increased 20 per cent. by the canal, it is necessary, in the first place, to ascertain whether the canal extension will affect land which is not now artificially watered.

13. Villages would be grouped into the following classes:—

1st. Those which, from the elevation of the land, or other causes, lie beyond the influence of the canal.

2nd. Those which already receive the full benefit which can be anticipated from the canal.

3rd. Those which are partially irrigated from the canal, and to which the means of canal irrigation will be still further extended.

4th. Those which now receive no canal water, but come within the range of contemplated extensions.

14. We have now only to deal with the last two groups.

15. It has already been ruled by Sir Charles Wood, in his Despatch of the 24th March 1865, that permanent settlement will not be granted unless 80 per cent. of the malgozaree area of an estate is under cultivation.

16. In addition to this, another condition is now required, that the estate shall have reached 80 per cent. of the assets which may be anticipated to result from the full development of the canal extension now contemplated.

17. The question then arises, whether irrigation from other than canal sources will equally entitle the estate to the benefit of permanent settlement.

18. In other words, whether the intention of the Right Honourable the Secretary of State will not be equally attained if the word "canal" be omitted and the rule be read—

"That no permanent settlement shall be concluded for any estate the assets of which have not reached 80 per cent. of the amount which they are susceptible of attaining under a full development of the available means of cultivation and irrigation."

19. The rule so worded would give the benefit of a permanent settlement to those landowners who have expended capital in the construction of wells, or other means of artificial irrigation, and it would in fact lay down the condition upon which Government consents to grant permanent settlement,—that the estate shall have reached 80 per cent. of the rent-roll which it is estimated to be fairly capable of attaining under good management and by an adequate expenditure of capital.

20. The decision of what the ultimate capability of an estate may be must be left to the discretion of the settlement officer, who will take into consideration all the local circumstances bearing on the question.

21. But before the revenue officers can offer an opinion upon this subject, it will be necessary that they should be in possession of a clear and accurate statement of the intentions of the canal authorities.

22. Mr. William, the Commissioner of Meerut, is of opinion that the existing canal system must be entirely altered before the object of its construction, viz., the prevention of famine, will be attained in more than a very partial degree; canal irrigation, he thinks, should be stopped in those parts of the country where irrigation from wells is practicable, and restricted to such high tracts as can only be watered by a canal in consequence of the soil not permitting the construction of wells.

23. In the memorandum by Colonel Dyas, which has been before quoted, it is stated that the area at present irrigated by the canal is 578,000 acres, and that it is expected that this area will eventually be increased to 2,000,000 of acres.

24. The

24. The area of the districts lying between the Rivers Ganges and Jumna, and within that portion of the Doab which is traversed by the canal, is, in round numbers, 12 millions of acres, so that there is no expectation of bringing more than a sixth of the surface of the Doab under canal irrigation.

25. It has already been shown that the Government land revenue is directly increased by the canal, only where lands are irrigated by it which were previously dry.

26. It is evident that the general benefit to the country will be in the same ratio as that to the Government revenue, because rents rise in proportion to the productiveness of the soil, and the Government demand is based on the rents.

27. The substitution of canal for well water does not necessarily enhance the productive power of the land. The end and aim of the canal in the prevention or mitigation of famine will not, therefore, be attained until its water is given only to those lands which can be watered by no other means.

28. It may be urged that the benefits of the canal were most marked and indisputable during the scarcity of 1860 ; but it must be remembered that the canal has now caused well irrigation to be neglected, and in many cases abandoned. Wells cannot be constructed on a sudden emergency, and those tracts in which the use of canal water has superseded that of wells may be regarded, for the present, as dry tracts dependent on the canal alone for the means of artificial irrigation.

29. In accepting, then, the rule proposed by the Secretary of State, it seems desirable that no reference should be made to canal irrigation : but that every estate which is found by the settlement officer to have reached within 20 per cent. of its ultimate fairly attainable rental should be admitted to permanent settlement, and that the Canal Department should be urged to aim at the irrigation of 2,000,000 of acres of land which can be irrigated by no other means, as the ultimate fulfilment of the design with which this great national work was undertaken. That the rent is measured by the productiveness of the soil, and not by the prices of produce, is shown very remarkably in the comparison of the rent rates prevailing in Mozuffernuggur, where the settlement was made by Mr. Thornton, and that which has recently been made by Mr. Martin, after a lapse of 30 years. Notwithstanding the very great rise in the market price of all agricultural produce, the rates of rent have remained absolutely unchanged.

30. Mr. Forbes, the Collector of Meerut, considers that a large number of estates have already reached the standard of development which entitles them to the benefit of a permanent settlement, and strongly advocates the immediate introduction of the measure in such cases.

31. There seems to be a general feeling among those officers who have been consulted, and whose opinions are appended, that, if permanent limitation of the Government demand is to be contingent upon the operation of the canal, the measure must be indefinitely postponed, and that such postponement is to be deprecated. There are, moreover, whole provinces, as Rohilcund, in which canals are in their infancy, and where many years must elapse before any appreciable results can be produced, and yet irrigation from wells is so readily effected from the proximity of the water to the surface that every zemindar has it in his power, by a moderate expenditure of capital, to raise the productiveness of his estate to the required standard. It would appear to be in accordance with the spirit of the intention of the Government that permanent settlements should be granted in all cases where the concession involves no surrender of the just claims of the State.

32. There is, however, a difficulty in the practical application of the word "estate," which, as defined by the revenue acceptation of the word, means "any parcel or parcels of lands which may be separately assessed with the public revenue."

33. A village may comprise within its limits several mehals or estates ; and though these estates may be in all respects independent of each other as regards responsibility for the Government demand, yet their lands are frequently intermingled, and in the survey maps are recognised only as parts of one village, the survey being conducted village by village, and not by estates into which those villages are subdivided.

34. It might, therefore, be advisable to withhold the grant of permanent settlement to fractional portions of a village, although it might constitute a separate estate. It would seem unjust, at first sight, to refuse this boon to the proprietor of a small and well-cultivated estate, because his neighbours had neglected their lands ; but unless some such limitation is imposed, the complications which might hereafter arise would entail greater inconvenience than the hardship which individuals might suffer by the proposed restriction.

35. Under the existing law every sharer in an estate, no matter how small his share may be, can cause his holding to be divided off and erected into a separate estate, and might eventually be admitted to permanent settlement, the rest of the village remaining under temporary engagements. Circumstances might arise to induce the owner of the permanently settled estate to sell it to the owners of the rest of the village, who could then legally apply to have the mahal re-incorporated with the parent estate, and thus there might be villages of which one portion was settled in perpetuity, and the other liable to periodical revision of the Government demand.

36. The following statement shows the progress made in the survey of districts within the influence of the Ganges Canal :—

Saharunpore	-	-	-	-	-	Completed.
Meerut	-	-	-	-	-	"
Mozuffernuggur	-	-	-	-	-	"
Boolundshuhur	-	-	-	-	-	"
Allyghur	-	-	-	-	-	About to be commenced.
Etab	-	-	-	-	-	In progress.
Furruckabad	-	-	-	-	-	"
Mynpoory	-	-	-	-	-	Not commenced.
Etawah	-	-	-	-	-	"
Agra	-	-	-	-	-	"
Cawnpore	-	-	-	-	-	"

37. I am to add that the junior member has not had time to consider this subject as fully as he could wish, nor has he had an opportunity of conferring with canal and settlement officers, or of visiting the tracts influenced by canals and under-settlement; but, as the senior member has had lately all these advantages, and as the junior member quite agrees with the tenor of the above remarks recorded by the senior member, as far as they go, he has agreed to their being transmitted to Government, reserving to himself an expression of opinion on the main question at some future occasion.

APPENDIX (A.)

EXTRACT from a LETTER from the Commissioner, Meerut Division, to the Officiating Secretary to the Board of Revenue, North-Western Provinces (No. 419); dated 28th July 1866.

MR. DANIELL reports to the effect that, in Dehra Dhoon, all lands which can at any time be irrigated by canals have already been considered in the settlement as capable of irrigation, and have been assessed accordingly; and that there is, therefore, no reason for delaying permanent settlement in the case of those estates which are fit for permanent settlement, in anticipation of extension of canal irrigation.

The Collector of Saharunpore reports as follows:—"In almost all the tracts irrigated from the canal in the Saharunpore district, the average depth of the water from the surface is certainly not more than 15 feet. Here kutchha wells, which last nine months, cost from two rupees to five rupees, and with the same wells, when wicker frames are used, the cost of construction is five rupees to 12 rupees, which wells, if repaired slightly after each rainy season, last for many years. Thus, even where masonry wells do not exist, irrigation is less expensive from kutchha wells, including cost of construction, than irrigation from the canal at the present rates.* Consequently it would be fair, with reference to other districts less advantageously situated, to consider that estate in the Saharunpore district insufficiently developed for the introduction of the permanent settlement where at least one-third of the area was not irrigated either from wells or the canals, though there are certain tracts that must be exempted from the operation of a rule of this character.

"With reference to the question put, however, it appears to me that the permanent settlement of estates, in which canal irrigation has not reached to a certain amount of development, should be delayed, but that it would be just at the same time to attach a similar restriction to estates possessing peculiar natural advantages for irrigation from wells."

The Officiating Collector of Allyghur considers it impossible to answer the Board's queries distinctly, without knowing the extent to which it is contemplated to carry canal irrigation; but he thinks permanent settlement should not be delayed, because the development of canal irrigation is an unknown quantity—he thinks a supplementary settlement merely for the irrigation might be made, or the article of water should be purchased in the market like any other article.

In my opinion it is impossible to ascertain the possible direction in which branches of the canal not as yet constructed will extend themselves, or be extended, or the facilities which will offer themselves to some villages to avail themselves of canal water by making private watercourses. That it is impossible to reduce to a practicable or statistical shape the probable expansion of agricultural assets from canal irrigation.

No revenue officers could do this, because they are not sufficiently well informed as to what may be the intentions of the canal authorities; whatever those intentions now may be, the carrying them into effect depends on so many contingencies that I do not think even the canal officers could give such statistics.

But I believe that, if the permanent assessment of estates is to depend in any way on the present extent and future possible expansion of canal irrigation, the idea of immediate permanent settlement must be altogether abandoned.

I have repeatedly expressed my opinion that the object of the construction of the Ganges Canal, that is, the prevention of famine, is secured only in a very partial degree by the present arrangements, and that in time these arrangements must be entirely altered. I believe that the time must come when, instead of that tract being irrigated, in which there can be

full

* See note to paragraph 14.

full irrigation from wells, while the high and dry tracts where the construction of wells is almost impracticable, are left unirrigated, the canal water must and will be taken from the naturally irrigable lands, and diverted to those which are still just as liable to drought and famine as they were when Sir Proby Cautley first proposed his magnificent work.

If this is not the result of a wise determination to make the canal supplement instead of supersede natural sources of irrigation, I believe it will follow, what I look upon as inevitable, that is, the enhancement of the rate of water rent; this enhancement is manifestly contemplated.

When the cost of irrigation from the canal exceeds the cost of well irrigation, canal water* will no longer be taken where wells exist or can be made; and when this happens in the distribution of the canal supply, it must go to those tracts where the water will still be in demand.

The effect of this in this Division would be probably that canal irrigation would nearly cease in the Saharunpore district, where the Collector asserts that, in almost all the tracts irrigated from the canal, the average depth of water from the surface is certainly not more than 15 feet, where temporary wells can be made for from two to five rupees each, and such as will last many years for from five to twelve rupees.

In the Moozuffurnuggur district, the flushing of lands already nearly destroyed by the Eastern Jumna Canal will probably cease.

The high sandy country between the Kali river and the Ganges will be more fully irrigated, and perhaps the tract between the Kali and Hindun now liable to drought will get by the Deobund branch, the water made available from the Saharunpore district.

In the Meerut district considerable changes will occur.

But the greatest will be in the Boolundshuhur and Allyghur districts. The Futteghur and Boolundshuhur branches would most probably be pushed on. If the first watercourse is finished (it is already excavated through more than half the length of the Boolundshuhur district), probably in about 300,000 acres canal irrigation will be introduced, and on the western side of the district more than 100,000, which are now dry, would have the benefit of the Boolundshuhur Branch Canal, while in the centre of the district thousands of wells now abandoned would be brought into use again. In Allyghur, by the continuation of the Futteghur and Boolundshuhur branches probably 400,000 acres would be irrigated.

It is impossible to give correct statistics; this is only an approximation to what should be anticipated. It is difficult to suppose that, when it is proved, as it certainly will be, that canals pay well directly; and if that is ever proved that, by the Madras system, the large supply which now runs to waste in the Ganges and Jumna can be utilised, there will be no want of water for the Lower Doab.

The most protracted examination of the papers of every district in this division would, I believe, lead to no other conclusion than an array of calculations and figures, which certainly might be, and probably would be made inapplicable simply by a further enhancement of canal water rate.

In fact if, as has been noticed above, permanent settlement is to be refused till all possible or probable extension of irrigation is accomplished, the boon which has been put before the people, and accepted by many, must be withdrawn.

APPENDIX (B.)

EXTRACT from a LETTER from *W. A. Forbes, Esq.*, Collector of Meerut, to *F. Williams, Esq.*, Commissioner, 1st Division, Meerut (No. 147); dated 21st July 1866.

I AM of opinion, therefore, that it is very advisable not to assess for perpetuity an estate, which has not a certain proportion of its area under irrigation, whether from wells or canal, provided that such permanency of settlement should not now be withheld from an estate in which from depth of water from the surface, or from the high level of its lands, there is no apparent probability of its irrigated area being extended.

Under Sir Charles Wood's Despatch, dated 24th March 1865, the rule was laid down that 80 per cent. of the Malgoozaree area must be under cultivation, in order to entitle it to permanent settlement. I do not read the extract from the present Despatch to mean that 80 per cent. of the culturable area must be irrigated, as has been lately held "in another place," but that some analogous rule should be laid down on the subject of irrigation.

I would thus suggest that if 80 per cent. of the culturable area of an estate be actually under cultivation, and if 50 per cent. of that same area be irrigated, whether from wells or canals, that estate should be admitted as fitted for permanent assessment.

I am a strong advocate for the immediate introduction of the permanent settlement, but that only such estates should be admitted to enjoy the advantages of such a measure as are found to have reached a proper and sufficient standard. I consider that such a standard has been

* I am informed that, already owing to the enhancement of rates, several villages high up the canal have given up the use of canal water, and have thus enabled the canal officers to give water to additional villages down below.

been arrived at by a large number of estates over a considerable proportion of the provinces, and that those estates should be at once and for ever settled in perpetuity.

As regards the 5th paragraph of the Sudder Board's letter, No. 272 of the 18th ultimo, which calls for this expression of opinion, I am totally unable to form any idea of the possible development of canal irrigation. Neither can I ascertain the possible directions in which branches of the canals, not as yet constructed, may extend themselves. It is my opinion that already the system of canal irrigation channels has been extended beyond the power of the canal authorities to carry irrigation as far, that is to say, as the Meerut district is concerned. The area brought within reach of canal water is greater than the authorities can guarantee a full supply of water for, and even should the supply be increased by any alterations to the canal works, the demand for water lower down the Doab must yearly increase in a still greater proportion.

Irrespective, therefore, of any of the contingencies mentioned in paragraph 5 of the Board's letter, I consider permanent settlement should be introduced into all estates which have reached a certain limit as regards cultivation and actual or probable irrigation.

APPENDIX (C.)

EXTRACT of a LETTER from the Collector of Moozuffurnuggur, to the Officiating Secretary to the Board of Revenue, North-Western Provinces (No. 35); dated 25th June 1866.

IN those districts of the Upper Doab, like Saharunpore, Moozuffurnuggur, Meerut where canals have been in operation for years, the country being covered with a net work of water-courses, I cannot conceive the necessity of delaying the permanent settlement one moment, provided, of course, there be nothing abnormal in considerable tracts calling for their exclusion from the general rule.

If in the highly cultivated districts above cited possible development of an already highly ramified canal irrigation be held to be sufficient warranty to deprive an estate of the grand benefit of a permanent assessment, then we must also pay regard to the possibility of water-courses at present in full play, eventually being abandoned, and estates now thoroughly watered becoming dry from some stoppage or other, to the possibility of one district abundantly irrigated at the time of settlement being partially, or wholly deprived of irrigation because another district bids higher for canal water; in fact, if further development be an element of disturbance, *à fortiori*, further deterioration from accidents of all kinds will throw us out more than all, and with nothing assured the State cannot hold out any promises to the people, the demand will ever remain fixed.

	Rs.	a.	p.	
Year ending 31st October, 1862 -	56,053	2	38	Upper Doab (the published returns of the Ganges show the
Ditto - - ditto - - 1863 -	29,187	3	14	irrigated areas of Moozuffurnuggur to be as marginally noted),
Half year ending 30th April 1864 -	38,269	-	25	I am clearly of opinion this ought not to present any obstacle

to the extension of the permanent settlement, because what Government may lose by foregoing a trifling augmentation of land revenue, it gains politically by spreading contentment far and wide among a swarming, needy, agricultural population, to whom these inquisitorial and periodical revision of settlements are highly obnoxious and depressing. Once let it be known that there is a limit to the land tax, and confidence will be created, more capital be attracted, and the value of landed property will rise immensely. In these parts I would not allow possible development or possible deterioration to weigh against the primary object of having the settlement declared permanent.

It is well known that the facile, comparatively cheap, and the rapid mode of artificial irrigation afforded by canals enables the cultivator to sow his lands with a larger proportion of the valuable products than he did before, even if irrigation from wells be plentiful, and water not far distant from the surface, and how great must be the change where wells are scarce? This being notoriously the case, it follows, as a necessary consequence, that the gross and net produce is enhanced by no outlay of the agricultural community, but by the direct operation of a great public work of utility undertaken by the State. In the profits then, of this project, surely the State, as guardian of the interests of the entire public, should be a large shareholder, and this cannot be done if the permanent settlement be conceded before canal irrigation is introduced into districts.

It may, however, be alleged the permanent settlement can be completed irrespective of canals, the State recompensing itself for the outlay on irrigation works by enhancing the price of water; the fallacy of this argument has, I think, been sufficiently refuted by the conference held at Agra in January 1865. An adequate price for canal water in the shape of a rate will be taken under any circumstances, but this can never supply the gap between an assessment based on an average rental, including canal profits, and one based on a rental excluding canal profits; therefore I say the permanent settlement should not be extended to districts about to be benefited by canals, for these temporary assessments must first be made; and, when sufficient time has been given for the development of canals, then collect data, and upon a full knowledge of all the facts Government can, with confidence give assent to a permanent limitation of the land revenue, otherwise the loss to the State would be very considerable, and there would occur the anomaly of glaring inequality in the assessments of different districts, perhaps bordering on each other.

In paragraph 5 of the letter under reply the Board direct Collectors to "reduce to a practical

practical and statistical shape that vague and undefined expansion of agricultural assets which has so much perplexed the decision of the main question." Now, the only way a decisive answer can be given to the query whether irrigation is likely to be more expansive or not is to apply to the Irrigation Department to ascertain whether such and such districts received their full supply of water. I am not aware of any important channels about to be projected in Mozuffurnuggur, seeing that we have so many already. Water does not reach the tail of some of them. I do not think we are likely to have more. If a more minute inquiry be necessary, village by village, to find out what estate has taken the full complement of water, and what estate taken a little less than it ought to have taken, or a little more than can be expected over a series of years, this will be a work of time as well as of doubtful utility when completed. I contend that, as a rule, where a canal has been in operation six years, or so, self-interest will prompt landholders to take a maximum of water, such a thing as withholding from the use of water with the view of exhibiting diminished assets at the time of assessment will no doubt occur, but these instances are rare, and can be met by punitive measures, just the same as if a proprietor was to wilfully throw his estate out of cultivation in order to obtain a reduction in the demand; *vide* paragraph 59, Directions to Settlement Officers, and Section 4, Regulation II., 1826.

The statistical information required by the Board has already formed the subject of Circular No. T., dated 17th August 1861, which prescribes that, in the Nos. II., III., Village Statements, the amount of canal irrigation, and the portion of revenue due to this cause, be carefully eliminated after full allowance be made for wells, &c., thrown into disuse by canals. These statements will accompany reports on revised settlements of land revenue, and will show practically all that can be learnt on the matter. At least the result will be but an approximation to the truth; for, in so intricate and difficult an inquiry, it is quite impossible to arrive at mathematical precision like you can in case of the amount of culturable area entitling an estate to permanent assessment; the survey shows this to be a fraction of an acre. I see no objection to prescribing that estates before being permanently settled should have 60 to 80 per cent. of their irrigable areas under irrigation. The irrigable areas to be ascertained by applying to the Canal Department, checked by plane table measurement and local investigation.

APPENDIX (D.)

EXTRACT from a LETTER from A. O. Hume, Esq., C.B., Collector of Etawah, to J. D. Sandford, Esq., Officiating Secretary to the Sudder Board of Revenue, North Western Provinces (No. 247); dated 7th July 1866.

I AM in receipt of your letter, No. 460, dated 18th June 1866.

Her Majesty's Secretary of State for India has now proposed a fourth alternative which I confess had not suggested itself to me, viz., openly and *bonâ fide* to abandon all idea of a permanent settlement for the present, and to wait till after 20 or 30 years' further experience we are in a position to decide what may and what may not be fairly expected from canal irrigation.

Earnest and persistent an advocate as I have ever been for a permanent settlement of these provinces, I am bound to confess that if, as you remark, the principle* against which I have so long contended has really been definitely and conclusively adopted, the only wise and honourable course is that which is now proposed by Her Majesty's Secretary of State for India.

If now, however, the principle proposed in the Despatch of the 17th March be adopted, if the permanent settlement be delayed until canal irrigation has nearly attained its maximum, and until, therefore, we are in a position to estimate fairly the probable permanent results of this new agent, all my former objections at once vanish. Uncertainty of supply will then have ceased to complicate the question, long before then we shall know sufficiently accurately what we may fairly expect from this noble, but still at present, always breaking down and perpetually being patched up work. Uncertainty of distribution will also have ceased to mislead us; it is scarcely being too sanguine to believe that by that time, at any rate, the canal engineers will have finally decided which are good and which bad lines of irrigation channels, and will have settled which they intend to maintain and which to close. Lastly, after a further practical experience of some 20 years, we shall know something certain (which we now do not) of the agricultural results of the Ganges Canal irrigation,—we shall know what soils can bear irrigation yearly, what only once in two, three, or four years; and what, if any, deterioration the land undergoes owing to the salts and other matter in solution or suspension, which the canal water brings upon the land. These, and 20 other similar questions, of which we are now in the most profound ignorance, will by that time have been more or less cleared up; and I, for one, if the rule now proposed by Her Majesty's Secretary of State for India be adopted, shall heartily concur in the

* Viz., of including canal irrigation profits in the assets on which a permanent assessment was to be based.

the principle (by no means necessarily objectionable *per se*, but for which the times are not now ripe) that when the permanent settlement eventually comes to be made, it shall be made on the then total existing assets, no matter whence derived.

There is, however one drawback. The famous Permanent Settlement Despatch (which, if fairly acted up to, would have been the Magna Charta of Upper Indian landholders) is definitely abrogated; and that inestimable boon, the permanent settlement, which our people have been so long promised, must be deferred for another 20 years at least, if not *sine die*.

It seems scarcely necessary for me to point out that 20 years at least must elapse before any considerable proportion of the villages of these provinces will have attained to within 20 per cent. of their maximum contemplated canal irrigation area.

The Muttra branch is not commenced, the proposed Western Jumna Agra Canal is not surveyed, the Lower Doab extension is still in *nubibus*.

Almost everywhere we stand, as it were, on the threshold of a system of artificial irrigation, the limits of which even the boldest can scarcely guess at. Even in districts where the Ganges Canal has long been in operation, by no means the majority of those villages whose irrigation has been contemplated for the last 20 years have ever yet enjoyed the slightest benefit from the canal; while even in the case of those villages which have for several years past been partially irrigated, not one-fourth of the maximum area is, I believe (in this district at any rate) under canal irrigation.

APPENDIX (E.)

From *C. H. T. Crosthwaite*, Esq., Settlement Officer, Etah, to *J. D. Sandford*, Esq., B.A.,
Officiating Secretary to the Board of Revenue, North Western Provinces (No. 48);
dated 18th July 1866.

IN reply to your letter, No. 460, dated 18th June 1866, I have the honour to state my opinion on the subject as requested. The Secretary of State has proposed a rule "that no permanent settlement should be concluded for any estate the assets of which would, when canal irrigation shall have been carried to the full extent at present contemplated, exceed in the opinion of the officers of the Settlement and Irrigation Departments, the existing assets in a proportion exceeding 20 per cent.

2. In order to carry out this rule in practice, the settlement officer must be able to determine for each individual estate two questions—

First. The possible increase of irrigation.

Secondly. The additional rental due to such increase of irrigation.

3. Now, if the first question were answered, the second would offer no difficulty. We have abundant data to determine with sufficient exactness the difference which irrigation would make in the rental of any given soil. But until the first problem is solved, we cannot touch the second.

And it is precisely this problem the solution of which is so hard.

4. For instance, take the case of a village lying within the area affected by the canal but not yet irrigated. The problem is to determine whether the assets of this village will by irrigation be increased 20 per cent. when the canal system is fully developed.

I must know (1) whether any existing watercourse can supply this village; (2) to what extent it can supply it; (3) whether by flush irrigation or not; (4) if no existing watercourse is available, whether the levels admit of the construction of one; (5) if the levels are favourable, whether the supply in the main canal will allow of it, and so on. Lastly, if these points are all answered favourably, I must know whether this watercourse will be made or not; and to know this, I must have a foreknowledge of the designs and intentions of the future officers of the Irrigation Department who may have charge of the district.

5. Again, if we take the case of a village not within the present irrigated area, but within the probable influence of a contemplated branch canal. For example, I may take the villages along the Futteghar branch canal in this district, the land for which has been long ago taken up, though no excavations have been made. Here at the very threshold the question meets me, will this branch be made? and I believe it is quite impossible to answer this question at present. To answer it at all we must go into the whole question of the supply of water in the main canal, whether and to what extent this supply will be increased by the remodelling now under consideration; and after all that there will remain the question whether the then engineers will not think some other line more profitable. And supposing that all these points could be satisfactorily settled, we shall then have to determine whether the minor watercourses will reach our village or not,* and to determine this we have no data. We might have the country surveyed, and

* It sometimes happens that the villages actually on the bank of the main canal cannot get water.

and the best lines for rajbuhas marked out. But any one who knows how the present lines have been selected, "the rajbuhas in many cases swamping low moist land and running riot over barren sandy wastes," will * at once give up the attempt as hopeless.

6. Lastly, we have the case of a village to which irrigation has already reached, but in which there is room for expansion of assets, by increased resort to it. Here the difficulties are somewhat less. But even here they are great. There is an utter absence of certainty. The supply of water in the canal or rajbuha may admit of increased irrigation—or it may not. That increase may be enough to raise the assets 20 per cent.—or it may not. In short, it is all matter of guess and conjecture here as in the other cases. For these reasons, to reduce the possible increase of rental in each case to a practical and statistical shape is impossible; and, if every estate whose assets may be increased 20 per cent. is to be denied a permanent settlement, we must deny a permanent settlement not only in the Doab, but also in Rohilkund, to every village except the few in which irrigation has evidently reached its maximum. I see no other course open to us.†

7. The question, therefore, is virtually one of having a permanent settlement or not; and as I believe it has been definitely decided once for all that there is to be a permanent settlement, it follows that the rule proposed by the Secretary of State should not be adopted.

APPENDIX (F.)

EXTRACT from a LETTER from *H. B. Webster, Esq.*, Officiating Collector of Boolundshuhur, to *F. Williams, Esq.*, Commissioner of the Meerut Division (No. 231).

I AM of opinion that it would not be advisable to defer the permanent settlement of estates in which canal irrigation has not reached to a certain amount of development; that is, in which the existing assets could be increased by 20 per cent. were canal irrigation fully developed; first, because to do so would be to defer the permanent settlement of by far the greater portion of the country, and to defer it *sine die*; for it is impossible to say for certain when, how, and to what extent canal irrigation may be developed.

I think it would be unfair to exclude from the benefits of a permanent settlement any estate merely on the grounds that, in the opinion of settlement or canal officers, a certain amount of possible extension of canal irrigation would produce a certain corresponding increase of its assets.

It would be extremely difficult to estimate beforehand, with any degree of fairness, the possible amount of such increase; and even supposing that a correct estimate could be arrived at, the expected extension of irrigation might never take place after all, and a permanent settlement would have been refused without reason.

It is true that this might be obviated by a condition being made on the part of Government that, if the expected extension of irrigation did not take place within a certain time, a permanent settlement should be granted on existing assets, but this would lead to endless revisions and alterations, and would tend to shake the belief of the people in the intention of Government really to confer a permanent settlement.

Moreover the refusal of a permanent settlement on the ground of a possible extension of canal irrigation is unnecessary; the object is that Government may not be debarred from its proper share of the increased profits of land due to a work constructed from public funds; and this object can easily be attained, notwithstanding the grant of a permanent settlement by the adoption of the acreage rate proposed by Mr. Crosthwaite, and approved by the Honourable W. Muir in his note on the assessment of rental arising out of canal irrigation, dated 10th May 1866.

COPY of a NOTE drawn up by the Chief Engineer, Irrigation Works, North-Western Provinces (No. 65 C.); dated 11th July 1866.

PERMANENT SETTLEMENT, NORTH-WESTERN PROVINCES.

ABSTRACT.

(A.) OFFICIATING Junior Secretary to Government, North-Western Provinces, forwards copy, Revenue Despatch No. 17, dated 17th March 1866, and requests chief engineer to report on paragraph 8 of Despatch, concerning limitation of permanent settlement to estates

* *Vide* note by Mr. A. Colvin, in the collection of papers on the Permanent Settlement.

† I do not myself see the justice of denying a permanent settlement to estates on the ground of future increase of assets by the canal, when we do not deny it on account of the certain increase from rise of prices and enhanced value of land.

estates, the assets of which would, when irrigation shall have been carried to the full extent at present contemplated, not exceed the existing assets by more than 20 per cent.

(B.) Chief engineer requests superintending engineers to report on the best means of arriving at a knowledge of the estates indicated.

(C.) Superintending engineer, 1st Circle, thinks rule proposed in paragraph 8 of Despatch the fairest that can be devised. Proposes to obtain from executive returns showing area at present irrigated in each village, and area that might be irrigated, supposing the full supply contemplated by Sir P. Cauley, was given to the canal and its branches. These returns to be furnished to settlement officers, who could then apply the Pergunnah rates of increase in assets to the additional areas.

(D.) Chief engineer requests superintending engineer will have the returns prepared as he suggests.

(E.) Superintending engineer makes a slight correction in his 553, at suggestion of chief engineer.

(F.) Superintending engineer, 2nd Circle, thinks the Eastern Jumna Canal is the only irrigation work in his circle, the assets of estates along which are not likely to be increased more than 20 per cent. above present assets; and, with regard to the Eastern Jumna Canal even, it would be difficult to fix definitely what is the full extent of irrigation at present contemplated; and consequently to supply the information wanted.

REMARKS AND RECOMMENDATIONS.

THE Ganges and the Eastern Jumna Canals are the only two works of irrigation involved in the present inquiry. It is not probable that the supply of the Eastern Jumna Canal will be increased, and its average area rate of "irrigating duty" per cubic foot per second is sufficiently high to enable us to conclude that no very great extension of the total area of irrigation need be looked for.

2. But the case of the Ganges Canal is different. Its supply is at present limited to about 4,000 cubic feet per second, and it is hoped that this may before many years be raised to between 6,000 and 7,000, a supply which at existing area rates of irrigating duty would at once raise the total area of irrigation from the present 578,000 acres to nearly 1,000,000 acres; which again must be doubled in order to represent the results of working up the irrigating duty rate of the water received to the Eastern Jumna Canal standard of 296 acres per cubic foot per second; and at no very distant period it may be hoped that even a higher standard may be reached. However, for the present it may be assumed that the Ganges Canal will irrigate two millions of acres, which at four rupees an acre will bring in a gross revenue from irrigation alone of eighty (80) lacs of rupees per annum. The gross revenue from irrigation is at present but 13 lacs.

3. These figures show what a large amount of revenue is at stake. The pith of the matter under inquiry is very clearly put forth in the 7th paragraph of the Secretary of State's Despatch.

4. In my remarks on the Irrigation Revenue Report for 1863-64, endeavouring to show (in paragraph 21) how essential it is that all proceeds resulting from the construction of works of irrigation should be clearly entered, whether they happen to be on the debtor or on the creditor side, whether profit or loss, in order that Government might be in a position to see whether the construction of any proposed new work was advisable or not, I added, "In irrigation two elements, earth and water, must combine before the result can be achieved. Without land to irrigate, water is of little value; and it is equally true that without water the land must remain unproductive." Again: "In this part of India, Government is lord of the water as well as of the soil."

5. It appears to me that Government ought not to relinquish its claim to share in the agricultural profits created by works of irrigation, whether these works be constructed by Government or by a company.

6. Since the above remarks were made, Government North-Western Provinces (Resolution, No. 0171, dated the 14th November 1865) has fixed on a form of revenue account for irrigation works, one of the items of which is "enhancement of land revenue," the corresponding item on the opposite side being "abatement of land revenue;" and Government of India has now ordered (No. 501 (C.), dated 6th June 1866) that "this part of the results of canals, in increased land revenue, shall find a proper place in the Irrigation Annual Reports." Thus finally disposing of an objection raised by some who could not see the different circumstances under which works of irrigation and works of communication are placed, and who omitted the consideration that the advantages of cheap communication are provided by canals also, but that no attempt is made to take credit for enhancement of land revenue on that account. The argument was that because, in the case of a road or a railway, credit was not taken for enhancement of land revenue resulting therefrom, it should not be done in the case of a canal. This objection has now been disposed of.

7. The

7. The suggestion of the North-Western Provinces Government, however, to substitute for enhancement of land revenue an additional special charge as water-rate on land brought under irrigation after their jumma has been permanently settled, has been objected to by the Secretary of State, whose decision is equivalent to a declaration that "water-rates shall be uniform over large areas."

8. I may note that an increase of the water-rate would not meet the requirements of the case so well as an enhancement of the land revenue. For it has been ruled by the Secretary of State that the irrigation rate must be uniform over large areas, but the results of irrigation are by no means uniform. Some soils are much more benefited than others, the crops produced are better, and the owners are able and willing to pay more, for it may be the same quantity of water. Now the settlement officer is not prohibited from taking into account these inequalities; on the contrary, it is his business to go thoroughly into them, so that he is in a position to fix the enhancement in such a manner that the total demands of Government under all heads shall press hardly on no man, so that all may benefit by the providence of Government in supplying water for irrigation, and that Government may receive in return what is justly its due.

9. But supposing a large proportion (in part of the Punjab, I have known it to be nearly one-half) of the rate of four rupees an acre (which may be assumed to be the Government share of all proceeds from irrigation works in Northern India, at a very moderate estimate) to have been included in the jumma of old irrigating villages, how then—if that jumma is permanently settled—will it be possible hereafter to raise the water-rate sufficiently to secure anything like the Government share of proceeds from newly irrigating villages? for it has been ruled that the same water-rates must be applied to all, old and new.

10. I have already shown that, in the case of the Ganges Canal, the area at present irrigated is barely two-sevenths of the area which will be irrigated at no very distant time, and it is probable that not more than one-half of the present irrigation belongs to villages which can be permanently assessed under the 8th paragraph of the Despatch, so that what I apprehend is that, in consideration of the present Government claims from one-seventh part of the area which will shortly be irrigated by the Ganges Canal, the precisely similar claims from the remaining six-sevenths of that area may be lost for ever; and what is worse, the canal may be for ever debarred from showing on the credit side of its revenue account more than one-third of what ought to be shown, and of what Government has directed shall be shown, as its actual ultimate returns.

11. Under these circumstances, and under the supposition that it is absolutely necessary to include in the permanently settled jumma of irrigating villages the enhancement of land revenue due to the operations of existing works of irrigation, complete or incomplete, it would appear to me to be unadvisable to extend the permanent settlement to any village which receives irrigation from an incomplete work, whether the area of irrigation in that village is likely to increase or not.

12. As to the practical difficulty of arriving at the amount of that enhancement, it has been got over, years ago, in the Punjab, and Mr. Wynne, the settlement officer of the Saharunpore District, has already calculated the enhancement for that district; and he has shown that there is really no great difficulty in arriving at a very fair and trustworthy estimate of its true amount. Besides, Government of India has ruled (No. 501 C, dated 6th June 1866), that in any case that enhancement must be arrived at, and shown in the Irrigation Revenue Reports.

13. I should mention the case of wells thrown out of use by the greater facility and cheapness of irrigating with canal water.

14. I think any abatement of land revenue, arising from this cause, should be shown under the heading provided (as already explained) for "abatement." But I think this item would be found to diminish rapidly as the water rates were raised to a near equality with the cost of well irrigation. The wells would gradually come again into use; and this appears to be a result to be wished for, as the canal water could then be given elsewhere to more thirsty districts.

15. I have now stated all that occurs to me as bearing on this matter from an irrigating point of view.

16. The Returns called for from Superintending Engineers of the villages which are likely to be affected by the provision of paragraph 8 of the Despatch, shall be submitted on receipt.

(signed) *J. H. Dyas*, Lieut.-Col., R.E.,
Chief Engineer, Irrigation Works,
North-Western Provinces.

No. 4091, dated Nynce Tal, the 26th July 1866.

ORDER.—Ordered, that a copy of the foregoing be forwarded to the Secretary to this Government, in the Revenue Department, with reference to Mr. Officiating Junior Secretary Robertson's letter, No. 385A, dated 23rd May last.

(signed) *J. H. Dyas*, Lieut.-Col., R.E.,
Under Secretary to the Government of North Western Provinces,
Public Works Department, Irrigation Branch.

CANAL IRRIGATION and PERMANENT SETTLEMENTS in the NORTH-WESTERN PROVINCES.

IN his Revenue Despatch, dated the 17th March last, No. 17, reviewing the orders issued by the Governor General in Council, in regard to the permanent settlement of the North-Western Provinces, the Secretary of State for India has referred for careful consideration the propriety of introducing a rule that no permanent settlement shall be concluded for any estate, the assets of which would, when canal irrigation shall have been carried to the full extent at present contemplated, exceed, in the opinion of the officers of the settlement and irrigation departments, the existing assets in a proportion exceeding 20 per cent.

2. In reporting upon this suggestion and submitting the opinions of officers of the settlement department, the Board of Revenue observed "that so long as canal water merely supplants well water, the land revenue gains nothing; and in estimating the possibility of existing assets being hereafter increased 20 per cent. by a canal, it is necessary, in the first place, to ascertain whether the canal extension will affect land which is not now artificially watered;" and they propose, as an amendment of the rule suggested by the Secretary of State, which will, they think, equally meet his intention, that the word canal be omitted, and the rule be read:—

"That no permanent settlement shall be concluded for any estate the assets of which have not reached 80 per cent. of the amount which they are susceptible of attaining under a full development of the available means of cultivation and irrigation."

3. They support this recommendation on the ground that the rule so worded would give the benefit of a permanent settlement to those landowners who have expended capital in the construction of wells and other means of artificial irrigation, and would, in fact, prescribe as the condition upon which the Government consents to grant a permanent settlement, that the estate shall have reached 80 per cent. of the rent roll which it is estimated to be fairly capable of attaining under good management, and by an adequate expenditure of capital.

4. They add that the decision of what the ultimate capability of an estate may be, must be left to the discretion of the settlement officer, who will take into consideration all the local circumstances bearing on the question; but before the revenue officer can offer an opinion on the subject, it will be necessary that he should be in possession of a clear and accurate statement of the intentions of the canal authorities.

5. The arguments for and against the introduction of any such rule have not been directly noticed by the Board, the principal ones may be briefly stated as follows.

6. On the one hand it will, to some extent, prevent great inequality of assessment, and will secure to the State its fair share of the profits derived by the landholders from the development of works of irrigation; on the other it will be a virtual denial of the boon of permanent settlement, without any fault of the proprietors, to a very considerable portion of the most fertile, populous, and politically important districts in these provinces, while the question of who is and who is not entitled to benefit by a permanent assessment, must be left to be determined upon grounds, which are in a great measure theoretical, and will necessarily vary with the varying views and experience of the several settlement and irrigation officers, which cannot but be productive of greater inequalities than those which it is sought to remedy.

7. Before proceeding further, I would invite attention to the full and exhaustive discussion which the subject has received in the able papers quoted in the margin,* which have already been submitted to the Government of India.

8. The

* From Board of Revenue to Government, North Western Provinces (No. 128), dated 14th February 1861, and Enclosure.

From Board of Revenue to Government, North Western Provinces (No. 132), dated 15th February 1861, and Enclosure.

8. The general conclusion arrived at by Sir G. Edmonstone, is thus summed up in the last paragraph of his Minute on the permanent settlement, dated 27th May 1862 :—

“In view of the large sacrifice* to which the Government must submit by giving permanency to a settlement of the land revenue in these ‘zones of irrigation,’ before the sources of that irrigation have been fully developed, I should have been disposed to advise the postponement of the measure for such period as might be necessary to bring about that development; but that the arguments advanced in paragraphs 64 and 78 of Colonel Baird Smith’s Report, are convincing as to the wisdom of its earlier execution, and further that the difficulties which have been discussed in these papers must recur hereafter, it, as may be assumed, the action of the Government in respect of works of irrigation should not cease with the completion of those now in progress.”

9. Colonel Baird Smith thus expressed himself :—

“It may be supposed that a great sacrifice of public revenue is involved in the concession of a perpetually fixed demand on the part of Government. It is to be observed, however, that (with a single exception to be noticed separately) the recent tendency of the measures of Government has shown a different conviction, and indicated a belief that its interests are best secured, not by general enhancement, but by general lightening of its demand on the land. The latest orders under which settlements now in progress are conducted, prescribe a reduction of the proportion of the rent or net produce hitherto appropriated as Government revenue from 66 to 50 per cent.; and I have no doubt that this is a most wise and prudent step, sure to justify itself before many years pass away. It is scarcely possible, indeed, that a tax on rent, which even at its minimum absorbs half that product, and presses exclusively on a single section of the community, can be permitted to increase. The tendency will, I believe, be quite in the opposite direction; and instead of desiring to raise the moderately assessed districts to the level of the highest, the best revenue authorities will probably seek to lighten the pressure on the latter, and in this manner rather than by the converse process, to equalise the burden generally. Such an equalisation would lead to an universal increase in the wealth of the agricultural classes. The price of land would rise gradually from four or five years’ purchase of the Government revenue to 10 or 12 times that standard. Capital would, in time, accumulate in other hands than those of the money-dealers, or the scarcely-taxed native commercial classes in general. The land would enjoy the benefit of such accumulations; and as a necessary consequence of the increased prosperity of that class which must always be the very core of native society, and with the strength or the weakness of which the social fabric generally must always have the acutest sympathy, trade and commerce and general wealth would not only increase, but as years passed on, the community must grow stronger and stronger, and the risk of its collapsing under any such calamities as that we are now considering, would gradually become less and less. Assuming then that the results of the measure would, in some degree, at any rate, realise these anticipations, it seems unreasonable to suppose that an intelligent and powerful Government could fail to participate in them. Its intelligence would direct it to the least offensive and most effective means of sharing in the general prosperity, and its power would insure the fair trial and ultimate success of those means. There would be no real sacrifice therefore, I believe, but on the contrary, a marked increase of the public resources, from the creation of the increased private prosperity to which it is conceived that a perpetual settlement of the public demand must lead.

“While, therefore, some objection may be taken to the disorganising influence of extensive canal action on revenue relations, and while I may admit the force of this objection as bearing on the conversion of prolonged into perpetual settlements, I believe that due consideration should also be given to its strengthening and progressive tendencies. I have already likened these rich tracts secure against the fluctuations of seasons, and filled by a prosperous people, to the bars and bonds that hold material structures together, and our experience of the famine of 1860–61, is certainly full of proof of the justice of the comparison. I have not seen in my own experience much display of those feelings of discontent and dissatisfaction with the good fortune of their neighbours which people in districts as yet unsupplied with canal irrigation are said to feel; I have even been told by some that such irrigation is regarded within and without canal districts as rather more of a curse than a blessing, while again I have learnt from all who have lately seen the action of the system, and

From Board of Revenue to Government, North Western Provinces (No. 133), dated 15th February 1861, and enclosures.

From Board of Revenue to Government, North Western Provinces (No. 191), dated 9th March 1861, and enclosure.

To Board of Revenue (No. 561A), dated 7th June 1861.

Extract, paragraph 3, of Government of India’s letter (No. 2033), dated 7th October 1861.

Extract, paragraphs 62 to 82, of Colonel Baird Smith’s Report on the Famine of 1860–61, dated 14th August 1861.

To Board of Revenue, North Western Provinces (No. 1322A), dated 27th November 1861.

From Under Secretary to Government of India (No. 1474), dated 20th March 1862.

To Under Secretary to Government of India (No. 227A), dated 31st March 1862.

From Board (No. 911), dated 24th December 1861, and enclosures.

Minute by the Lieutenant Governor, North Western Provinces, dated 27th May 1862.

To Secretary to Government of India (No. 578A), dated 27th May 1862.

* See tables in paragraphs 66 and 74 of Colonel Baird Smith’s Report, as showing the effect of canals in adding to the value of the gross produce of the land, and consequently in increasing assets.

and have been able to judge for myself, that its influence for good is, in fact, beyond all gainsaying. It is at the same time right to make it known, that importance is attached to the disturbing influence under reference, by most of those to whose judgment and experience on such points, I willingly defer with respect and confidence. I have accordingly given much anxious thought to the working out of plans whereby the influence of canal action may be made compatible with a perpetual settlement of the land revenue, and I am confident that this result may be attained without serious difficulty. The details are intimately connected, however, with questions bearing on canal administration generally, which must come under discussion hereafter, and it will be best to give the whole together; but meanwhile it is proper to say that my conviction of the expediency of fixing the public demand in perpetuity, is quite unaffected by the peculiar position of districts having canals of irrigation executed solely at the cost of the Government within their limits. Even if it were necessary to omit the strips of country so situated for a time from the perpetually settled tract, it would be better to do so, than by reason of the existence of these zones of irrigation, to deny the great and strengthening boon to the tract in general. I trust to be able to prove that the first alternative is altogether unnecessary, but I have no hesitation in declaring my preference for it, should the proof fail, over the existing system of progressive enhancement of the land tax, even though at longer intervals apart.

"The objection thus dealt with has other aspects, and there are additional reasons again pressing it too far. If so pressed, it would paralyse all material or administrative improvements likely to produce inequality in the social *status* of different classes of the people. If such inequality produced by Imperial canals is a mischief to be abated only by the periodic sweep of the Collector's measuring chain over the land, why except like inequalities due to Imperial railways or roads? We know that the vicinage of these is as sure to produce them as the vicinage of canals, though the process may not be so speedy, or the results so soon measurable. Why, too, except natural differences tending to the same end, class industry, class thrift, and other qualities whose influences are self-evident? It is undeniable that the ultimate tendency of a perpetual settlement, with the stimulus it gives to action, the free scope it allows to capital, the fair play it secures to capacity for business, and so on, is to establish and consolidate gradations in society. Is this really any objection to it? I cannot help thinking, for my own part, that it is one of the best promises the scheme possesses, for it promises to correct gradually and naturally, without shock or injustice, social laws and customs which, like those of inheritance, for example, tend to perpetuate poverty and administrative policies, which, though sanctioned by loved and respected names, and growing out of pure and high principles of humanity and good will, have yet been injurious and weakening in their influences on society."

10. Mr. Muir, in his very able Minute, dated 15th December 1861, observes, paragraph 71:—

"Again it has been proposed to except the tracts of country likely to be affected by canals from permanent settlement, until the benefits of irrigation from them shall have reached, or nearly reached, their full development; the settlement would then be made at the enhanced scale of assets arising therefrom. Such is the condition of the country through which the Eastern Jumna Canal runs, and from the assessment of which the Government has derived its full share of the increased rental. But it will be many years before this state shall have been fully attained in the Ganges Canal; before the thousand subordinate channels of distribution shall have been completed, and brought into use by the people. Meanwhile, the greater part of the Doab, a tract the best calculated, perhaps, in these provinces to appreciate the blessings of a permanent assessment, would be debarred for an indefinite period from their enjoyment. Besides, canals may hereafter be introduced into parts of country under then already permanent settlement; so that the difficulty must be faced at some period; and another expedient than postponement must be provided."

11. Death has deprived us of the details of the plan which was contemplated by Colonel Baird Smith, and I concur unreservedly in the opinion that, in the absence of any other scheme, which will satisfactorily meet the difficulties of the case, there is no alternative but to carry out the permanent settlement, irrespective of the future development of canal irrigation.

12. I participate so entirely in the belief expressed by Colonel Baird Smith, "that in an unconditional permanent settlement of the land revenue demand there would be no real sacrifice, but, on the contrary, a marked increase of the public resources, from the creation of the increased private property to which it must lead;" that I have never laid particular stress on a resort to measures intended to secure to the State its due share of prospective profits on rents from canal irrigation, and consequently in referring to such a scheme, in Resolution of this Government, dated 30th June 1866, I purposely abstained from anything more than a bare allusion to it.

13. I may now, however, explain that the plan which suggested itself to me as apparently free from the objections attaching to other propositions was this: to make no alteration in the uniform rate of water rent, but to give no water to any village that had not received it before conclusion of permanent settlement, except on the condition that, after three years of irrigation, an additional annual payment should be made to the officer collecting canal dues, equal to (one or two rupees, or whatever amount was ascertained to be the fair general average over the whole country of the State share of the enhanced rent profits) per acre of irrigable

irrigable land; estates to which canal irrigation had extended to any extent before permanent settlement being left free from all interference.

14. There would here be no interference with the fixing of the revenue settlement, nor with the uniformity of the water rates; the rule is clear, intelligible in its principle, and simple of application; the payment would be optional; if the water was considered worth the sum demanded it would be readily agreed to; if not, the water would be employed elsewhere.

15. Referring again to the arguments above noticed, for and against the rule now proposed by the Secretary of State, I would observe that as respects inequality of assessment, arising from immediate permanent assessment, the objection is one of comparatively little practical importance; equal, if not greater, differences have existed in the permanently settled districts of Bengal without provoking discontent: to the objection that we shall concede to some greater advantages than we do to others, it may fairly be replied that under no circumstances could we ensure that all should fare alike. On the other hand, the inequality of treatment which will necessarily accompany the practical application of the rule proposed by the Secretary of State, seems to me far more open to objection than that of eventual irregularity in the incidence of the assessment.

16. The sacrifice of revenue involved appears to me to be very much over-estimated. From the very careful inquiries instituted by the settlement officers of the districts of Boolundshuhur and Mozuffernuggur, the one disposed to under-estimate, the other to over-value, the enhanced profits of the landlords from the action of canal irrigation, it would seem that 10 or 12 per cent. would represent the full amount of the revenue at stake.

17. The total land revenue of all the districts in the Doab affected by the canals, omitting Saharunpore, is 1,22,50,000, and 12 per cent. upon this would give 14½ lakhs as the additional revenue to be eventually obtained when the canal system is fully developed, say 20 or 30 years hence; for the intervening period nothing would be gained.

18. Colonel Dyas indeed speaks of a future total increase of revenue from the Ganges Canal of 80 lakhs of rupees, but he has overlooked the fact that half of this only would be payable to Government, and that of the 2,000,000 acres estimated, 578,000 are already assessed at their full value; deducting this there remain 1,422,000 acres, which at two rupees would yield 28,44,000 rupees, or at Rs. 1. 8., the rate assumed by Mr. Muir as a general average, 21,33,000 rupees.

19. Even if this calculation were adopted, I cannot think that for such a sum as this we should at the last moment hesitate to fulfil the expectations we have raised, and withdraw the promised boon of permanent settlement, nor indeed does it appear to me befitting a great Government to seem to grudge a sacrifice, which is as nothing when compared with that which must result from the future rise of prices, and enhanced value of land generally which has been freely accepted.

20. But, as remarked both by Colonel Dyas and the Board of Revenue, and as I fully agree, the primary object of the Ganges Canal, which is the work chiefly affecting these discussions, is the prevention of famine; and, if this object is attained, I hold that the amount expended on it would have been well applied, even if it yielded no other return; as well certainly as the enormous sums sunk in roads during the last 30 years; but when it is considered that the gross return from water rent alone will, when the works are completed, aggregate some 50 lakhs of rupees, which would be equivalent to at least 10 per cent. upon the capital invested, the Canal Department and the State may well rest satisfied with such results, without seeking to enhance its apparent gains from other indirect sources.

21. To sum up briefly the conclusions to which I have been led, after full and anxious consideration of this difficult subject, I am of opinion that, as a measure of large and enlightened policy, the permanent settlement of these provinces should be carried out generally unhampered by further conditions; that the introduction of the rule suggested by the Secretary of State or Board of Revenue into the districts of Saharunpore, Mozuffernuggur, and Boolundshuhur, in which the settlement has been all but completed, would give just ground for much disappointment and dissatisfaction; and that its application in other districts would tend to check progress, and the development of irrigation itself, and prove a serious mistake; and, lastly, that the rule I have myself proposed appears to me the only alternative, if any additional conditions must be imposed; but that I do not recommend it; though as it would be applied by the Canal Department as a condition of a first supply of water, it would not, I conceive, injuriously affect the permanent settlement.

(signed) *E. Drummond*, Lieutenant Governor
of the North Western Provinces.

24th September 1866.

From Sir George Couper, Baronet and c.b., Secretary to the Government of the North Western Provinces, to E. C. Bayley, Esquire, Secretary to the Government of India (No. 578A.); dated Nynee Tal, 27th May 1862.

WITH reference to your predecessor's letter (No. 2033), dated the 7th of October 1861, I am directed to forward to you, for the consideration of his Excellency the Viceroy and Governor General in Council, the accompanying copies of minutes recorded by his Honor the Lieutenant Governor and the senior and junior members of the Sudder Board of Revenue in these Provinces, on the expediency of forming a permanent settlement of the North Western Provinces.

MINUTE by W. Muir, Esquire, Senior Member of the Sudder Board of Revenue, on the Expediency of forming a Permanent Settlement of the North Western Provinces; dated the 5th December 1861.

IN discussing this question, it seems expedient at the outset to clear away a misapprehension which I have found frequently to exist. It has been urged that a perpetual settlement is needed in order to give a permanent proprietary tenure. This, however, is not the case. Perpetuity of proprietary tenure is not only quite compatible with an assessment liable to revision, but it actually does exist in as full and perfect a form throughout these Provinces as it would have done had the settlement from the first been permanent. The title by which proprietors hold land in Benares or Jounpore, under a permanent assessment, is in nowise better, *as regards perpetual fixity*, than it is in Azimghur or any other temporarily settled district. In respect of the limitation of the Government demand, the right may be more valuable in the former than in the latter; but in respect of permanency of title there is absolutely no difference in value whatever.

2. The grand distinction between the state of *property* as such, in these Provinces and in Bengal, is that, in the latter, the persons with whom Government entered into engagements at the permanent settlement were recognised as absolutely and exclusively the proprietors, although they were very often in reality only sharers or part proprietors in their estates.* In these Provinces the errors in the recognition of proprietorship that were committed in the early settlements have been held liable to amendment; and subsequent detailed investigations, under judicial powers conferred for the purpose, have ascertained and fixed the proprietary right in those individuals who, by the prescriptive exercise of proprietary functions, were entitled to be so recorded.

3. The errors committed in Bengal were, however, by no means errors necessarily inherent in a perpetual settlement of the land revenue. The revenue demand might have been declared perpetual, without making the Government to guarantee proprietary titles according to a faulty and deficient registration. The two operations in a settlement, viz., assessment of the demand and record of proprietary and other rights, are ordinarily performed together, but they are essentially independent of one another.† The perpetuity of the demand was not therefore, in itself, a reason why the errors of proprietary registration in Bengal should not have been amended by subsequent measures, nor is it any defect in the proprietary titles in these Provinces, that they have been ascertained and recorded prior to a permanent settlement.

4. It is clear, then, that in these Provinces, as the rights of property have been carefully ascertained and recorded, the title thus secured is quite as fixed and permanent as any title in Bengal, with the additional advantage of being the rightful title, that is to say, a title in close accordance with prescriptive possession.

5. Whatever benefits, therefore, a permanent settlement may bring with it, security and perpetuity of title must be left out of the account; and it does not appear in what respect "the tenure of land" in these Provinces could be improved by any fresh "Legislative sanction,"

* "In Bengal, Behar, and Orissa, the permanent settlement effected a great revolution in the state of landed property. It very extensively deprived the village communities and inferior holders of their rights, and created new and absolute rights of property in behalf of persons who had previously possessed only a limited interest on the produce of the land."—*Directions to Collectors*, paragraph 91.

† "The early settlements in these Provinces were made very much as those in Bengal, without minute inquiry into the extent or capabilities of the several estates, or into the nature of the rights possessed by the persons with whom the settlements were made. Since then, under the provisions of Regulations VII. of 1822, and IX. of 1833, a minute inquiry has been made into every circumstance connected with landed property; and a complete record has been compiled of every fact so far as it could be ascertained."—*Idem*, paragraph 152.

† "There are evidently two distinct operations in the formations of a settlement. The one is fiscal, the determination of the Government demand; the other is judicial, the formation of the record of rights. Ordinarily the two operations are performed at the same time, and there are many reasons which render such an arrangement very desirable. But if, from any cause, the judicial part was omitted when the fiscal was performed, there is no reason why the former should not be subsequently carried into execution, without disturbing what had been previously done towards the latter."—*Directions to Settlement Officers*, paragraph 2.

sanction," as appears to be contemplated by the Government of India,* in the case of such districts as may be continued under temporary settlement.

6. I proceed, then; to consider the question of a permanent settlement on its own merits.

7. As the advantages of such a settlement have been very forcibly stated by the late Colonel Baird Smith, C.B., so the disadvantages have been ably argued by Mr. Keene, in a pamphlet† which I have just received from him, and which I place with this Minute.

8. *Disadvantages of a Permanent Settlement.*—They may be reduced to the following:

1st. The Government shuts itself out for ever from its legitimate share in the profits arising from the extended cultivation and increased productiveness of the soil.

2nd. It divests itself of the ability of re-adjusting its revenue according to the altered value which in the progress of time different localities often assume towards one another, or to the altered prices which, in the lapse of ages, may affect the produce of the whole country.

9. There is no question but that the stimulus to agriculture imparted by the protection of our Government and the security of long settlements would, even under the present system of periodical assessments, cause in the next 30 years (as they have caused in the past) a vast extension and improvement of agriculture. We have the example of Goruckpore in point. The incentive to exertion produced by a fixed assessment for 30 years has been so strong as to secure a prodigious reclamation of waste land, so large indeed that, even at the lowered standard of present assessment, in that single district an increase of some eight lakhs of rupees, or about 40 per cent., on the former demand is expected under the settlement now in progress. The Government, as part landlord, is entitled to its share in this increase. Property in the temporarily settled districts exists (it is argued) with this as an essential condition of its existence. To confer the exclusive advantages to be derived from its share in the increased assets on any set of proprietors, is simply to enhance the value of their property by alienating a profitable right of Government, without any equivalent, and at the expense of the other portions of the community, on whom will fall the burden of making good the prospective loss thus created.

Increase of revenue from future extension of agriculture relinquished.

10. The same argument applies with still greater force, as has been shown by Colonel Baird Smith, to those tracts of country where the increase of the cultivated area, and of the value of the produce, is the effect of Government works of irrigation. Here the increase is the result of expenditure of capital, not by the proprietor, but by the Government, or in other words by the community at large; and the Government title to share in the increased profits is thus doubly stronger than in the case before supposed.

Especially in case of Government irrigation works.

11. Further, in the lapse of time, vicissitudes take place. One portion of the country under the influence of new lines and facilities of traffic becomes prosperous, another by the desertion of old routes and modes of communication sinks in the national scale. The latter cannot now bear the revenue demand, which it formerly discharged with ease; the former has a surplus of profit greatly disproportionate to the standard at which its settlement was framed. The adaptive character of our present system enables us here to balance periodically the burdens of the State. Those who have prospered through the force of circumstances are assessed (according to the known and essential conditions of their tenure) at a moderate proportion of their increased profits, and from the same source the Government is enabled to remit a suitable proportion of the heavy assessments which may be bearing down the less fortunate tracts. Where the assessment is perpetually fixed, it will be impossible to afford the relief which such vicissitudes render imperative without a clear loss to the Government. Instead of periodical equalisation of uneven assessment, there will be the hazard of remissions being required with no fund of equivalent increase from which to meet them.

Power given up of re-adjusting the revenue to fluctuations of agricultural condition.

12. This is a point Mr. Keene has laid much stress upon as an argument for *postponing* the permanent settlement in these parts, for he says that we are in a state of transition, and that, when new lines of traffic, new emporia of trade, and new systems of irrigation, have declared themselves, "we may then admit that the time has come for a permanent settlement." But it appears to me that this argument, if pressed to its legitimate limit, would defer to so indefinite a future the whole question as to be virtually a negative of a permanent settlement altogether.

Preface, p. ii.

13. So also with the question of prices. It would be impossible at any future period to say that prices had reached a limit beyond which they will not rise. In certain quarters, indeed, such as Jubbulpore, which are at present far removed from any general market, it may

* Paragraph 3, Government Order No. 2033, dated 7th October.

† "The Indian cotton question stated, with especial reference to the tracts situated between the Rivers Ganges and Jumna, by a district officer."

may be a question whether the demand should be made perpetual until the effect of the opening of the new communications now under construction has fully told upon the prices of its agricultural produce. But in respect of the greater portion of these Provinces, it may be doubted whether the tendency will not be rather in the opposite direction; for districts at present remote will, by the extension of railways, be brought into nearer competition with its markets, and the effect will be to lower prices. So far, then, as this argument likewise is concerned, its legitimate conclusion is not so much to postpone a permanent settlement as practically to reject it.

Possible fall in the value of silver.

14. The only remaining point for consideration is one which may be thought too recondite and theoretical for any practical weight. But the Government, before it irrevocably commits itself, is bound to keep in its view all the contingencies and possible future effects, however remote, of a step which will affect so large a portion of its existing revenues. It is quite possible, then, that silver may in a future age greatly fall in value.* The prices of all other commodities would correspondingly rise, and the expenses of Government, both in its general expenditure and in the salaries of all its *employés*, would be increased in a similar proportion. Meanwhile, the income derived from the land revenue would remain stationary; or, rather, it would suffer an actual deterioration, measured by the fall in the value of the metal in which it is paid. Supposing the fall of value to be one-fourth, then, for every 100 rupees of revenue as originally fixed, Government would receive the value of only 75 rupees. The effect would be the same as if the proportion of profit assigned to proprietors were increased 25 per cent., or if the proportion of produce representing the share of Government were decreased by that amount. So far as the discharge of liabilities arising from the existing Government debt is concerned, there would be no inconvenience, as these, being contracted in the same currency, would suffer an equal depreciation. But in other respects any great revolution of the kind contemplated might prove embarrassing to the Government of the day.

15. Under the principle of temporary settlements, it would be always in the power of Government to re-adjust its demand, either by the addition of a per-centage corresponding to the altered value of the currency or otherwise. How far the advantage of being able to exercise this power would warrant any practical action will be further considered below.

16. *Advantages of a Permanent Settlement.*—I pass on now from the objections against a permanent settlement to the advantages which it offers.

Expense of periodical re-settlement saved.

17. *First*, as respects the directly financial results, there would be the saving of the very material expense incurred by the Government in the periodical revision of its demand. To enforce any satisfactory equalisation of the assessment, a detailed field measurement from time to time becomes necessary; and this process is especially required in all those tracts in which it is contemplated to assert the right of Government to an enhanced revenue based on the extension of agriculture. This operation, and the measures attendant on it, cannot be carried on without considerable expenditure of the public money. In the present year it is estimated that between four and five lakhs of rupees will be spent by Government on this object, and an equal, if not greater, amount will probably be required for many years to come, before the 30 years' settlement now expiring shall have been revised.

18. A permanent settlement once introduced, would free the Government forever from this expenditure; and the saving may be taken, so far as it goes, as a set-off against the potential increase of revenue under the present system which will be abandoned.

Zemindars and ryots saved from the exactions incident to a re-settlement.

19. In a similar manner, the people themselves will be saved from the expenses, exaction, and oppression to which at every re-settlement they are liable. I cannot regard this a light advantage. Let our settlement officers be never so active and vigilant, the subordinate agency at their disposal is, like all other native agency, generally speaking, venal and corrupt. They have opportunities of misrepresentation to injure the zemindars and ryots, and to favour one party or class at the expense of another; and they are not slow to turn their opportunities to account. Their time is short, and they make the most of it. This species of tyranny is, I believe, in no case wholly absent; and in most settlements falls heavily on the people. It would be totally swept away by permanent assessment to the great relief of all classes.

Disadvantage from want of periodical survey and record of rights.

20. It may be urged, on the other hand, that the present advantage of a periodical detailed survey, and the ascertainment and record of all landed rights as they stand, will be lost to the inconvenience of the people and the detriment of the public administration. The outlines of possession are liable to alter greatly in the course of 30 years: the limits of cultivation vary, and changes occur in the distribution of property and of the rights of occupancy. Without a new field-measurement, no full and complete registration of these can

* "Nobody can say that some day silver may not also undergo a great fall, brought about by a production which should be distinguished by the two following characteristics of being much greater in comparison, with the employments to which it had hitherto been applied, and of being produced under more favourable circumstances, that is, at less cost per kilogramme for the metal obtained. There are strong reasons for thinking that, if the United States annexed Mexico, and penetrated further into the regions of Central America, this event would not be of tardy accomplishment, under the auspices of a race so industrious and so enterprising as the Anglo-Saxons. . . . Nevertheless, full of silver is an event to be anticipated, an event even probable at no very distant date."—*Chevalier, on the fall of Gold*, p. 128.

can be compiled; the rapid variations arising in the lapse of time soon leave the old record behind; it no longer corresponds with existing facts, and becoming obsolete loses its value. That some benefits of convenience and usefulness may be thus given up is possible; but the loss, whatever it may be, can in some degree be repaired by requiring of the Putwarees that their annual record shall keep pace with the changes of the year. And if care be taken at the final settlement (which I presume will precede any measure of perpetuity) to make the survey and record of occupancy and rights very complete, I do not see why these documents should not be kept up in a manner sufficiently perfect for all practical purposes. But giving the objection its utmost weight, it will go but a short way to counterbalance even the minor advantages of a permanent settlement referred to in the previous paragraph.

21. Looking now to the benefits which may be anticipated in the improvement of property, I notice first the periodical check which the prosperity of the country receives under the present system whenever a settlement approaches near its termination. As the assessment of the coming settlement is to be fixed in reference to the extent of cultivated area and value of the produce, it is the natural object of every proprietor to make these appear as small as possible. Hence not only is the expenditure of capital on new improvements stayed, but the state of existing prosperity is actually depreciated. The proprietor refrains from cultivating the usual breadth of crop; he narrows the area of land under irrigation; he postpones the sowing of valuable staples. It is quite natural that he should do so. The present sacrifice will be amply made up, if even a small diminution of the Government demand is thereby obtained. Penalties are threatened for such procedure; but so long as human nature is what it is, penalties will be fruitless, and every fresh settlement upon existing assets will tend to this result.

Permanent settlement will remove the check to agricultural improvement occurring towards the close of a settlement.

22. Leaving out of view the few last years of a temporary settlement, it must be admitted that the effect of a determination of the assessment for 20 or 30 years has been found eminently beneficial in insuring improvement. Colonel Baird Smith's Report bears ample testimony that it is so; almost every district in these provinces is an unequivocal witness to the same truth. The security of a long settlement stimulates industry and encourages the expenditure of capital, for the profits of the period are certain to replace the capital, and to yield a handsome return besides. But it is also certain that the inducements to investing capital in the improvement of the land would in most cases be very greatly strengthened by fixing the demand in perpetuity. When any large disbursement is now contemplated, it is perfectly natural for the proprietor to hesitate. He will reflect whether it is, after all, worth his while to sink 1,000 rupees, say in a well, which shall add 200 rupees to his rental, seeing that in consequence of this increased profit, he may be sure that at the next settlement 100 rupees will be added to the assessment of his estate. Had the settlement been permanent, there would in such a case have been no doubt about the matter; where the settlement is temporary, the project is in all likelihood cast aside.

Permanency of settlement will encourage investment of capital.

23. The inexpediency (if not, under some circumstances, injustice) of such a course has not escaped notice. The late Court of Directors ruled* that a liberal consideration was to be given for all improvements effected at the expense of the occupant, especially recent improvements, "with regard to which he has reaped the advantage only for a short period." The 37th Rule for re-settlement, issued in 1854, contains a still stronger injunction to make allowance for the expenditure of capital, and to assess a correspondingly moderate jumma.† But it is evident that the principle prescribed by the late honourable Court is of too vague a character to effect any certain results; and even the rule issued by the Board must prove practically inoperative so far as security to the landlord is concerned. It would be a matter not of exact calculation, but of mere speculation, what portion of increased productiveness was attributable to the investment of capital; and generally the assessment of an estate is affected by so many considerations, and depends so greatly on the opinion of the settlement officer, that the rule, as a ground of confidence in the future, could afford to proprietors no practical satisfaction, and is not calculated to diminish that uncertainty of reaping the full results of labour and capital which is the bane of all temporary settlements.

Investment of capital discouraged under the present system.

24. Some parts of the country, as those regions in Bundelcund which are incapable of irrigation, may be less affected by this consideration than others; but even there advances must be expended for the settlement of new cultivators, the digging of wells for drinking water, the provision of seed, and other conditions necessary for founding fresh hamlets and extending cultivation. There is probably no part of these Provinces in which the impulse imparted by a permanent settlement would not be felt, where investment of capital would not be materially quickened.

25. It is true that great allowance must be made for the habits of the people. Motives

How far the inducements of a permanent settlement will tell on the native community.

* Despatch, dated 13th August 1851.—This laid down that "although settlements must be formed with reference to the value of the land at the time," still a liberal consideration was to be "given for the improvements attributable only to the efforts of the tenant himself, and especially with regard to such as are of a comparatively recent date, and with regard to which he has reaped the advantage only for a short period under the old settlement."

† "In villages the cultivation of which has been much extended since the settlement by the breaking up of new land or the percentage of irrigation increased by the sinking of new wells or other improvements, the expenditure of capital must be allowed and a moderate jumma assessed."—Rule 37.

of this kind will have their full and legitimate influence upon European settlers; but the natives of India are disposed "to leave well alone," and to keep to the old ruts which the usage of ages has sanctioned. Accordingly we do not find such great difference in the progress of the four permanently settled districts in these Provinces as we might have looked for, although the inducements to invest capital from the limitation in perpetuity of the Government demand have been for more than half a century in full force there. Nevertheless, even if we take into our account the prescriptive indifference and immobility of the national character when ordinary motives are concerned, it would still be against reason, and against the experience of other parts of the country, to hold that so vital a change as the fixing for ever of the present shifting assessment should not produce the most important results.

Increased value of land caused by permanency of the assessment.

26. For it is not doubted that the value of property would be vastly increased by such a measure. Nasir Ally Khan Bahadoor (who, being a resident of Jounpore, is a good authority on the subject) assures me that an estate would sell in a permanently settled district at from two to three times the value it would fetch, though in every other respect similar, if under temporary settlement.* Where the superior value of a permanently settled estate is so decidedly recognised by the people themselves, it is against all analogy to suppose that the disposition to invest capital in its improvement will not likewise exist in a corresponding degree. Therefore I do not doubt that a great and accelerated improvement of property would result from a permanent settlement of the revenue.

Political benefit of contentment.

27. The political benefits, moreover, to be looked for from the measure are not small. A degree of contentment and satisfaction will be diffused over the land which it is not easy to estimate.

28. Opinions, indeed, on this head have been sometimes expressed in extravagant terms. The comparative immunity of Bengal from revolt in 1857-58 has by some been attributed in part to this cause. Experience refutes the conjecture. In these provinces, the quarter in which the people continued longest and most persistently to oppose our Government, was that of Ghazee-pore, a permanently settled district. The truth is, that the inducements to revolt were, to a great extent, local in their character; they were brought to bear in their full strength on hardly any part of Bengal; but where they were brought to bear, as in the case of Shahabad, the permanent settlement was as powerless to hold them in check as the temporary settlement.

29. But though by no means inclined to attribute any such magical effect to a settlement in perpetuity of the land revenue, I am well assured that the measure would be hailed with intense satisfaction by the landholders in these provinces. I was not aware till lately how strong is the popular feeling on the subject. Indeed, it is only of late that the attention of the landholders has (I suppose in consequence of its discussion during the last two or three years in the public prints) been recalled to it as a measure at all likely to be introduced. But (in the Lower Doab at least) they have quickly become accustomed to the idea, and are prepared to welcome the boon whenever it may be conceded.

Recapitulation of benefits.

30. To resume: the benefits to be expected from a permanent settlement are—

- 1st. Saving of the expenditure now occasioned by the necessity of periodical assessment.
- 2nd. Deliverance of the people from the vexations prevalent at every re-settlement.
- 3rd. Freedom from the tendency to depreciation of property towards the close of each temporary settlement.
- 4th. Prosperity arising from increased incentive to improvement and expenditure of capital.
- 5th. Greatly increased value of landed property.
- 6th. Content and satisfaction among the people.

Saving of Revenue Establishments.

31. To these it has been suggested to add the saving to Government from the decrease of expenditure in the subordinate establishment required to collect the revenue. The revenue will certainly be realised with greater ease; yet I doubt if much direct saving of salaries can be anticipated from this cause. The Tehseeldar and his staff will have more time to devote to their judicial and other duties. Indirectly also, savings in the higher branches of the service may be facilitated by the measure. For example, when the settlements, preliminary

* I give the following rates from him as those which are notoriously current:—

The calculation is based on the average net surplus profits remaining after the Government demand and all other expenses have been paid.

Under temporary settlement, a property yielding 12 annas per mensem of such profit, that is, nine rupees per annum, would fetch 100 rupees; or a little above 11 years' purchase. Where the permanent settlement prevails, the same price would be given for a property yielding four, five, or six annas per mensem, that is, three rupees, Rs. 3. 12., or Rs. 4. 8. per annum; being at the rate of from 22 to 33 years' purchase. (It is remarkable that the greater the proportion of surplus profit to the assessment, the higher the market rate per cent.)

Ahmud Buksh, an intelligent landholder of Futteh-pore, confirms this statement, and adds from his experience as Vakeel in the Sudder Court, that there is a corresponding superiority in the value attached even to a *cultivating tenure* in the permanently settled districts.

liminary to the act of perpetuity have all been completed, a single officer may probably suffice to conduct the duties of this Board.

32. Let us now revert to the objections brought against a permanent settlement, and see how they stand in comparison with the advantages.

Advantages of a permanent settlement weighed against the disadvantages.

33. First.—The net surplus of revenue to be looked for at each revision from the growing prosperity of the country, after adjusting all necessary fluctuations, is abandoned for ever. I do not estimate the prospective revenue which will be sacrificed from this cause at any very large figure. The opinion of our Board in the Administration Report for 1859–60, that the amount of land revenue is not likely to vary to any great degree from its present amount, is, I believe, correct.*

34. This estimate, however, was formed on the supposition that the Government would retain the power of periodical re-adjustment, and would be able to reimburse itself for reductions arising from calamity and deterioration, by levying an increase where it was justified by increase of assets. The calculation will of course be affected by the relinquishment of that power. Any variations which may become necessary under a perpetual assessment will be only on the side of reduction.

35. But neither do I calculate reductions from this cause at any very serious amount, if the precaution be taken (which I will endeavour to show below is necessary) of a careful revision of the existing settlement before it is declared to be perpetual.

36. The special cause of increased productiveness arising from Government works of irrigation I reserve for further consideration.

37. There remains the contingency of a future fall in the value of silver. This contingency might be met, as well as other objections above urged (according to some authorities) by a very long settlement, say, 50, or even 100 years, which would secure many of the benefits of perpetuity, and yet leave the Government free to assert its rights, should it deem it expedient in a future generation; or a legislative enactment might reserve and except the contingency of the fall of silver from the guarantee of perpetuity. The merits of such expedients will be treated of in a future part of this paper. Supposing, however, that no such expedients are found to be feasible, I do not think that the remote risk contemplated from this cause can be allowed to weigh against the immediate benefits to be expected from a permanent assessment.

38. Although no increase of income from the *land tax* will for the future be possible, yet other branches of the revenue will not fail eventually to share largely in the benefits flowing from the accelerated progress and increased prosperity of the country. This is a sufficient reply to the objection that “those who call upon the Government of India to forego the power of raising, without oppression, an elastic description of revenue, are bound to indicate the sources whence it could be made good.”† It must be remembered that no present loss of revenue is incurred (that is, if a careful revision precede the measure); the loss is one which, it is apprehended, will happen some 30 or 40 years hence. But by that time we may fairly look for a far greater enhancement of the revenue from the indirect return caused by the vastly improved resources of the country than could have been obtained from the taxation of a portion of the increased rental anticipated from the extension of agriculture.

Relinquishment of prospective enhancement of the land revenue will be compensated in direct returns from increased prosperity. Pamphlet before quoted, page 27.

39. Allowing, then, the widest scope and fullest consideration to all the objections which can be urged against departing from the established system of temporary settlements, the advantages of a settlement in perpetuity appear to me vastly to outweigh them all, and I most decidedly advocate the measure.

40. So much for the general question; I pass on to notice several special points which will require consideration, supposing that the Government decides in favour of a permanent settlement. These relate—

Details involved in carrying out the measure.

1st. To the time when the measure should be introduced.

2nd. The manner of its introduction.

3rd. Whether there should be any, and what exceptions.

4th. Whether any special arrangement is called for in the case of irrigation from Government canals.

41. The sooner a measure of such beneficial tendency is carried out the better, *with due advertence to the moderation and uniformity of the assessment to be thus irrevocably fixed.* Any

I.—Time when it should be introduced.

* After referring to several instances of extensive reduction on the one hand, and of large enhancement in Goruckpore on the other, we wrote:—“In the re-settlements of Seharunpore and Boolundshuhur it is probable that the net result will be a small gain to the Government, but in many of the districts which in a few years will become open to revision, it is likely that the application of the liberal rule of settlement at half the assets will, to some considerable extent, affect the revenue. Against this, however, may be placed the general tendency of the revenue to advance from the lapse of *maafee* tenures and the settlement of confiscated jagheers. Upon the whole, then, it is not expected that the land revenue of these provinces will materially vary from its present amount.”—*Revenue Administration Report for 1859–60*, paragraph 20.

† It is to be observed that the benefit to the revenue from lapse of rent-free tenures would not of course be affected by a permanent settlement.

Any hasty or premature determination, which should stereotype existing inequalities, would injure the interests of the people as well as of the Government. Almost fabulous tales of extreme variation in the pressure of the perpetual assessment of Bengal reach these provinces; and that not arising so much from subsequent improvement, as from original inequality; a rental of several thousands of rupees is said sometimes to yield to Government but 10 or 20. On the other hand, there are not wanting instances of excessive severity and of revenue sales as the consequence. We have in our own permanently assessed districts not infrequent examples both of undue pressure and of inordinate profit. To relieve the former the Government is occasionally put to some loss. There have also been cases where from the unequal distribution of an otherwise just demand on the component parts of a joint property, similar results have occurred.

42. Now, although we had advantages in the settlement under Regulation IX. of 1833, which Bengal had not, and the assessments were framed with an approach to uniformity, yet that object was often very imperfectly gained; and we have now opportunities far superior to what then existed for making an equable assessment.

43. Further, the development of resources in various degrees caused by the long limitation of demand, during the currency of the settlement now expiring, has occasioned diversities of condition and pressure, even in assessments originally tolerably uniform. These have been often due as much to natural advantages as to increased industry. It is no departure from the principles above advocated to say that such improvements, having occurred under a settlement avowedly temporary, should be taken into account in fixing the perpetual assessment.

II.—Permanent settlement should be preceded by a careful revision.

44. The permanent settlement will give far greater satisfaction to the people generally if it is preceded by a careful revision, and all are allowed a fair start together in the race of future improvement. Such is the opinion of all the native gentlemen whom I have consulted. They deprecate any hasty process by which present inequalities should be stereotyped as unjust and inexpedient.

45. Any premature measure of this kind would further involve the Government in considerable loss. There are quarters where it is well known that the Government revenue presses too heavily; and we are only waiting for their turn of re-settlement to grant in them the necessary relief. In the course of re-settlement this will be done probably without any loss, upon the whole result, to the Government; otherwise an unnecessary defalcation is sure to arise.

46. The perpetual settlement then should be introduced into each district, so soon as a

* DISTRICT.	Date on which Settlement under Regulation IX. of 1833 expires.
Seharunpore - - -	July 1857 (new settlement nearly completed).
Boolundshuhur - - -	" 1859
Goruckpore - - -	" 1859
Mozuffernuggur - - -	" 1861
Meerut - - -	" 1865
Farruckabad - - -	" 1865
Budaon - - -	" 1866
Bijnore - - -	" 1866
Azimghur - - -	" 1867
Bareilly - - -	" 1867
bahjehaup ore - - -	" 1868
Allyghur - - -	" 1868
Allabad - - -	" 1869
Mynpoory - - -	" 1870
Cawnpore - - -	" 1870
Futtehpore - - -	" 1870
Etawah - - -	" 1871
Muttra - - -	" 1871
Moradabad - - -	" 1872
Agra - - -	" 1872
Humeerpore - - -	" 1872
Banda - - -	" 1874

careful revision can be effected. The work of re-settlement is already going rapidly forward. In one district it may be said to have been completed, and in three others it is in progress. The other settlements can be taken up in the order of their falling in.* The latest term extends to 1874, and the interval will not be too long for a careful revision. But there would be no objection to commence work in anticipation of the expiration of any existing settlement, provided a sufficient number of qualified officers are available.

47. It appears to me that every previous effort should be redoubled for securing a strictly equal and impartial assessment, seeing that any inequalities which may be now admitted will soon be beyond our reach to remedy. Especially the *European* staff for settlement purposes should be advanced to its utmost possible strength: so that as little temptation may be left as practicable to native officials for corruption. The inducements offered to secure favour in a settlement known as about to be a perpetual one, will be immense, and it is not in the generality of native officials to resist such inducements.

48. Extraordinary arrangements if calculated to secure this object, ought not, therefore, to be rejected simply because they are irregular or expensive. An officer, for example, whose standing entitles him to the position of a judge, and whom it might be otherwise desirable to employ in the settlement of a district, should be so employed, notwithstanding the extra expense necessary to provide him with suitable emoluments. Any amount of expense will prove a real saving in proportion to the accuracy thereby obtained in the perpetual assessment.

49. Although there is no district in these provinces to which the permanent settlement should in my opinion be applied without revision, yet there is at least one in which the revision of survey and record has been so successfully carried on by means of the Putwarees and others, that the materials are, I believe, almost at hand for the revision of settlement. I allude to the district of Meerut, where probably the necessity for a new survey will not be found to exist.

50. Another advantage in the course proposed is, that in this final re-settlement, a careful field

field survey, and revised record of occupancy and rights, will be prepared in accordance with the existing *status* of property and possession. The extensive destruction of former records in 1857-58 renders this in many quarters a step that is almost indispensable; and these records, now revised and placed once for all on a satisfactory basis, will form the foundation of the record of changes to be kept up by the Putwaree in accordance with the facts of the day.

51. I now come to consider whether there are any parts of the country so exceptionally situated, as to render it questionable whether they are yet ripe for a permanent settlement.

III.—Whether the measure should be postponed in any parts of the country.

52. It has been doubted by several intelligent native gentlemen to whom I have spoken whether the tracts on the right bank of the Jumna, and below its junction with the Scinde, are of a character which will be much benefited by a permanent settlement. The soil in general is of a character upon which irrigation cannot be brought to bear; there is no opening to proprietors to expend capital on the construction of wells for that purpose. The region is also dependent on the periodical rains, and these again are so liable to fail that it is difficult for any length of time to maintain a uniform assessment. Where estates break down, the elastic nature of the present system enables you to diminish the revenue, and when it has regained a prosperous condition again to assert the legitimate demand of the State. The same may be said of the singular deterioration caused by the *kans* root, which, once allowed place, runs its course; for years paralysing the efforts of the cultivator. If the assessment be made permanent, it is alleged, every vicissitude of this kind will lower the demand, and the Government revenue will dwindle down to a serious extent.

53. First, as regards the last-mentioned danger; it can to a great measure be averted by allowing remission of revenue for a term of years in estates visited by calamities of season or otherwise. The jumma of the permanent settlement would be borne on the rent roll, to be again re-imposed when the effect of the visitation had passed away. If the original assessment be fair, and equally distributed, no serious loss to Government need be apprehended under such a system.

54. Next, as regards the expenditure of capital. It is true that the same field does not at present exist in these quarters for the construction of expensive works as in the Cis-Jumna Districts. But still there are not wanting important objects on which capital can be expended; from the expenditure of which capital, it may be presumed, the temporary nature of the present settlement tends to hold the proprietors back. The estates in Bundelcund have very extensive areas, and but few villages located in them. Tillage is ordinarily confined to the vicinity of a village; and in order to found new hamlets and thus increase cultivation, wells have to be sunk; for no drinking water is during the greater part of the year otherwise to be procured. This of course involves a heavy outlay over and above the ordinary expenses of settling new cultivators, and advancing them money for seed, bullocks, &c., and funds for their own subsistence. I have no doubt that necessities of a corresponding character will be found to exist in almost every quarter; and that substantial advantage will accrue from the knowledge that the fruits of increased industry and disbursement will be reaped exclusively, and for ever, by the proprietor.

55. The same remarks apply to the southern pergunnahs of this district (Allahabad), in which the proprietors are, according to Nasir Ally Khan, so ignorant and indifferent that they will not appreciate, even if they could comprehend, the value of the concession. But this may be doubted. There is no surer means than self-interest to call forth the energies of even such rudimentary classes, and to elevate them from their present low and backward condition.

56. It may further be remarked that the chief cotton-producing tracts lie on the right bank of the Jumna, and I should be loth to see them excluded from the benefits of the measure even if the objections were stronger than I rate them.

57. The only localities in these provinces which may reasonably be excepted, are those in which the progress of reclamation is so backward that only a small portion of large areas has been brought under tillage. For example, some parts of the new Terai zillah, and of the other districts which border on the hills, are not in a sufficient state of forwardness to warrant a final declaration of a perpetual demand. This principle is admitted in Regulation IX. of 1805, which held out to these provinces the prospect of a permanent settlement. The measure was to be limited to "such lands as shall be in a state of cultivation sufficiently advanced to render it proper to fix the assessment on the same in perpetuity." The permanent settlement would, however, in such case be only postponed. The circumstances of each tract should be decided upon separately on its own merits.

Sections VII. and XXIV., Regulation IX. of 1805.

58. I am doubtful likewise, whether the Jubbulpore division and Chundeyree, and perhaps parts of Jhansie, may not also fall under the same category. In the first-named division the proprietary title has hitherto been declared vested exclusively in Government, and the occupants have been held to be only farmers. The proprietary right is now about to be recognised. Moreover, the revenue arrangements there have never been in a satisfactory state; there are large tracts of land lying waste; and the region is emphatically in a transition state. The opening of the Bombay Railway will at once raise prices to an

enormous extent. And altogether it may be prudent to see the effect of the new settlement for some years before finally fixing it for ever. The point is one on which further discussion may throw new light, and I am unwilling at present to express a decided opinion on it.

Case of maafee and other privileged proprietors.

59. The assessment of maafee estates, and those held under a partial exemption from the demand of revenue, will, of course, not be fixed, so long as the privileged title under which they are held does not lapse. There would be no advantage in settling a prospective assessment in perpetuity upon them; any general instruction to do so would probably raise the suspicion that some new measure of resumption was contemplated. The only exception would be where the privileged holder is also the recognised proprietor, and where he might of his own accord apply for the declaration of a permanent assessment. Here it might be done.

60. Where the proprietary title of a maafee estate is vested in any other party than the maafeedar (who in such case is the mere representative of Government and entitled to receive no more than it would have received), and a settlement is made with the proprietors fixing the revenue demandable by the maafeedar, such revenue should be treated in the same basis as Government revenue and settled in perpetuity. So likewise with subordinate properties held on an independent footing, even though the revenue demand is paid not direct to Government, but through the channel of the zemindars. In Talookdaree estates, likewise, of which a sub-settlement may have been made with the "inferior proprietors," and that arrangement is now maintained, it would be competent to the Government to fix the assessment to be paid by the subordinate holders in perpetuity.

IV.—Irrigation from canals.

61. The last subject to be considered is that of irrigation from Government canals. The facts and the difficulties involved by them in relation to a perpetual assessment have been fully and impartially stated by Colonel Baird Smith, C.B.

Title of Government to share in the increased productiveness caused by them.

62. The benefits derivable from canal irrigation vary according to the capacity and antecedents of the land affected. Where canal irrigation becomes a mere substitute in land previously irrigated by wells, the benefit may be rated at little or nothing; where lands already under dry crop are watered from the canal, the produce is vastly enhanced: where waste lands, which could not otherwise have been brought profitably under cultivation, are rendered fruitful, the gain is equal to the entire net rent of such lands.* The water-

* This subject has been treated in detail in the Board's address to Government, dated the 14th of February last, from which I extract the following paragraphs:—

5. "It is necessary to inquire in what degree, assets will be improved by the introduction of canal irrigation, and the loss to Government, if no arrangement be made for the State sharing in the increased returns.

6. "There will be three classes of lands, each affected in a different degree.

7. "First, lands already irrigated from wells, jheels or natural streams, but which may hereafter be made available for canal irrigation. Here the benefit would consist simply in the substitution of an easier and cheaper mode of procuring the water and conducting it to the fields, for a more expensive and difficult mode. The general belief of the people (shared in generally by district officers) is that fields irrigated from wells yield an appreciably heavier and better crop than those irrigated with canal water; and this apart from the liability of the ground, especially near the head of a Rajbaha, to become covered with the silt which is borne down and deposited by the canal water. Supposing this were admitted, there is still the advantage to the cultivator of a less expensive process which diminishes the cost of cultivation, and leaves, therefore, a larger surplus of net profit. The benefit would secure some clear balance of advantage in favour of the canal irrigation. Yet the benefit would not be felt fully at the first; because, in such cases, the cultivator is already provided with cattle and all the gear, &c., necessary for his wells; and being moreover, accustomed from long habit to irrigate from them, it would take some time for the new system to supplant the old one.

8. "On the whole the benefit in respect of this class of lands would not be so sensible or so immediate as to justify the introduction of canal water being made the ground of any increased demands during the currency of a settlement. The case would be fully met by the demand from the Canal Department of the ordinary water-rates whenever the canal water began to come into use.

9. "Secondly, where cultivated lands not previously irrigated are brought within range of canal channels, the benefits would be large and important. Instead of being dependent on the precarious rain of Heaven, the Kurreef crops, as well as the Rubbee harvest, would be rendered secure and certain. The Rubbee crops would gain beyond all comparison in heaviness and value. Where only the inferior cereals are now produced, the higher kinds of crops would be cultivated. In many places sugar-cane, rice, &c., would be introduced. The value of the assets from land so situated, after payment of all canal expenses, would at the least be doubled, and often greatly more than doubled.

10. "Thirdly, but canal water would not simply be available for lands already under cultivation. It may confidently be expected that large tracts of arable lands which either cannot at present be cultivated at all, without artificial irrigation, or which could not be cultivated at any profit, would be brought under the plough, and would yield rich and remunerative crops. Here the increase of produce, after payment of the moderate canal costs, and the ordinary costs of cultivation, would be all clear again.

11. "Taking now the case of villages containing lands of the second and third classes, it is evident that in both there would be a large addition to the profits of the zemindar. In the second class of lands, it would arise from the increased rent of fields already under cultivation. In the third it would consist of the entire rent of the area newly brought under tillage. If such increase were in any measure attributable to the expenditure of labour and capital on the part of the agriculturists themselves, it would be reasonable that they should enjoy the enhancement of income arising therefrom. But it is not so. The advantage is gained purely by the construction of a public work at the cost of the State. It no more arises from the exertions of the proprietor than increased profits from the accession of alluvial lands. A village which profits by alluvial addition is held to be open to revision of jumma during the currency of settlement and to a corresponding increase in the Government demand; and there is no greater reason of immunity where the increase of assets arises from a cause just as much beyond the control of the owner. The benefit is equally clear, equally great, equally gratuitous."

Various degrees of benefit from canal irrigation.

I.—In respect of lands already subject to irrigation.

II.—In reference to lands heretofore unirrigated.

III.—In reference to new lands brought under cultivation.

Second and third classes fairly open to increased revenue demand.

water-rate paid to the Canal Department is an uniform rate, and is necessarily very low, being calculated to meet the first of the above cases where the smallest degree of benefit is derived from the canal. In the two latter cases the water-rate is altogether inadequate.

63. Now, it is evident that where large areas already under dry cultivation are by canal irrigation rendered doubly profitable, the State is entitled to share in the increased profits produced by its own capital. Much more is it so in the case of lands, which otherwise could not be cultivated at all at a profit, but which may hereafter be rendered fertile by the construction of a canal cut. The profits are in no sense, or in a very limited sense, the result of expenditure of capital by the proprietor. It is the capital of community which has produced these results; and the community at large, that is the State, is entitled to its share in the profits. The levy of the present uniform water-rate is a very partial and inadequate assertion of this title.

64. The right of Government under the existing system is jealously guarded, not only for the interest of the Exchequer generally, but also because these profits are one cause by which the State is justified in extending its canal system, and a chief source from which it is enabled to do so. The right is easily asserted at each recurring settlement, because the State then comes in and assesses its revenue at the sum of half the rental of the estate, including that of the newly cultivated or improved lands. The benefits, then, reaped by Government from canals under the present system, consist *first*, of this periodical improvement of the land revenue; *second*, of the general security they afford to the revenue against famines; and *third*, of a light uniform water-rate calculated to give a moderate return of interest on the capital invested in the undertaking.

65. Of these benefits the *second* and *third* will remain unaffected by the new system. Is the *first* to be altogether abandoned?

66. "The idea of property," says Mr. Mill, "does not necessarily imply that there should be no rent, any more than that there should be no taxes. It merely implies that the rent should be a fixed charge, not liable to be raised against the possessor *by his own improvements, or by the will of a landlord*;" and, again, the same thing is described as "possession in perpetuity at a money rent either fixed or varying according to some rule which would leave to the tenant the whole benefit of his own exertions."

Political Economy,
Ch. VII. Sec. I.
Idem, Ch. VIII.
Sec. 4.

67. If, then, any plan could be devised by which the Government should secure the portion of the profits due exclusively to the expenditure of its own capital, without by any possibility infringing on the fruits of the proprietor's labour and capital, the essential requirements of property would be maintained without affecting the financial interests of the State.

Expedients for
enabling Govern-
ment to maintain,
under a permanent
settlement, its title
to share in the assets
created by canals.

68. Various expedients have been proposed for attaining this object.

69. First (as before-mentioned in reference to the possible fall of silver), it has been suggested that a very long settlement might be allowed, of 50 or even 1,000 years, at the close of which the increase of profits due to this source might be carefully calculated, and the just proportion of the Government dues assessed thereon. But whatever benefits a long lease of this nature would bring, it would not be a settlement in perpetuity. In India, as elsewhere, there is a charm in the word "for ever," which is entirely broken if the term falls short of absolute perpetuity. Again, in what respect would it be possible to define the exact proportion of the profits attributable to the canal as distinct from those created by the capital and industry of the occupant? * and even if it were possible, how should we convince the proprietors that such prospective demand would be confined to that share? Uncertainty and mistrust would take the place of those feelings of confidence and security which it is the grand object of a perpetual settlement to create and confirm.

I.—Long term
settlements.

70. The same objections exist, even in a stronger form, to the proposal for a legal reservation to Government, in the act of perpetuity, of the right to assess its canal profits at any future period at which they may be fully developed. If any rule or procedure could have been settled, by which the power of Government to take the increased profits due strictly to the influence of its own capital and no more, could have been *defined* and *limited* in a satisfactory and absolute manner, then the idea of property as above explained might have been compatible with such a scheme. But I can conceive no such expedient. And even if such an expedient were possible, it would still be an impracticable task so to explain the reservation, that it should be fully and correctly understood by the people; for, if they failed fully to understand or implicitly to believe it, the effect would be equally injurious as if there had been no limitation at all. Where millions of ignorant persons are concerned,

II.—Reservation by
law of its title.

* On this subject I quote from a previous paper:—"When a new settlement comes to be made, how is it possible to indicate what portion of increased productiveness is attributable to the canal, or what portion of extended cultivation has been and would not equally have arisen from other causes? In Seharunpore the cultivation has increased prodigiously since the settlement of 1837; the increase is general and not confined to canal villages. Why should the Government adjust this assessment to the capacity of villages which have improved in the one case, and not in the other? In a canal village, for example, how can it be proved that a tract of fields brought under canal irrigation would not, to a great extent, if not equally, have been brought under well irrigation, as the country improved and capital increased, even had there been no canal in the district."—*Note by Secretary to the Government of the North Western Provinces, dated the 29th October 1858, paragraph 19.*

it is a matter of incalculable difficulty to communicate the exact bearing any stipulation or reservation; and it would involve even greater risk and difficulty to persuade the landholders that some latent pretext under which the Government would hereafter be enabled to neutralize the pledge of perpetuity, did not lie concealed under such a reservation. Thus suspicion and mistrust would be engendered, and the benefits of a perpetual settlement neutralized. I do not see that any such reservation is practicable.

III.—Deferment of perpetual settlement in tracts affected by canals.

71. Again, it has been proposed to except the tracts of country likely to be affected by canals from permanent settlement until the benefits of irrigation from them shall have reached, or nearly reached, their full development; the settlement would then be made at the enhanced scale of assets arising therefrom. Such is the condition of the country through which the Eastern Jumna Canal runs, and from the assessment of which the Government has derived its full share of the increased rental. But it will be many years before this state shall have been fully attained in the Ganges Canal; before the thousand subordinate channels of distribution shall have been completed and brought into use by the people. Meanwhile, the greater part of the Doab, a tract the best calculated perhaps in these provinces to appreciate the blessings of a permanent assessment, would be debarred for an indefinite period from their enjoyment. Besides, canals may hereafter be introduced into parts of the country under then already permanent settlement; so that the difficulty must be faced at some period; and another expedient than postponement must be provided.

IV.—Differential water-rates.

72. There is yet another way in which the interests of Government might in a partial degree be secured, viz., by the application of a differential water-rate. While we were anxiously considering last year whether the right of Government to share in the increased assets arising from new lines of irrigation could not be asserted even during the currency of a settlement, a scheme of this kind was suggested as a possible solution of the difficulty.* Thus the charge for water applied to lands previously irrigated from wells or otherwise would be at a minimum rate; that for former dry cultivation, now irrigated, at a higher rate; that for waste lands newly brought under cultivation by canal water at the highest rate. But it appears to me that on the introduction of a permanent settlement, such a system could not be resorted to without a special reservation sanctioning it in the act of perpetuity. It might be said that the process would be nothing more than simply affixing a price to the water; and that in selling the water, the Irrigation Department has a right to affix any price they choose for their commodity. This would be true if the differential scale had reference to the increased cost of a cut, say to any particular locality, or, in short, to any other consideration but that of the varying *increased productiveness of the land itself*.

For

* "The first plan (the levying of a varying water-rate) indeed would answer, were there any ready means of assessing a differential water-rate calculated on fixed and uniform principles with reference to the advantages gained from the use of canal water. Those advantages (as shown in paragraph 6 *et seq.* of my former letter) are very various in degree. In some cases where the means of well irrigation were previously available, the benefit may be very small; nay, in some cases, from deterioration of soil or other causes incident to the use of canal water, there may be a positive loss. On the other hand, unirrigated lands would benefit very largely, yet here also in greatly differing degrees; the increase of assets where the soil is suitable to sugar-cane and rice crops being beyond all comparison greater than in the case of lands suitable only for the growth of common crops. And the same may be said of lands hitherto uncultivated, but made capable of tillage from the presence of canals; this class of lands yielding of course the greatest amount of new profits. If no differential scale of water-rates be applicable to these various classes of soil, very great inequality of assessment, not to say in some cases unfairness if not positive injustice, would be the result.

5. Yet the Board, as at present advised do not see their way to any satisfactory system for a differential scale of water-rates, without inflicting as great a degree of uncertainty as would be occasioned by the plan they have proposed, possibly a greater degree. They freely admit that if any scheme for fixing a uniform scale of the above nature proportioned, however roughly, to the benefits derived by the several classes of soil, could be devised, it would be the most satisfactory settlement of the question. The land revenue would then remain unalterable for the whole term of settlement; and the Government would have its fair share in the increased produce by means of the water-rate."—*Sudder Board to Government, No. 133, dated the 15th of February 1861.*

The project was favourably received by Government, which said,—“There can be no question that the most satisfactory way of removing the difficulties which have led to this discussion will be to assess the canal water-rents at differential rates varying with the degree of advantage derived by different lands, and even the same classes of land in different positions from canal water.

20. “The Lieutenant-Governor cannot think that the elaboration of such a scheme will present all the difficulties which the Board anticipate. It appears to him that by the consentaneous and united action of the Collector and the Canal Officer an assessment of differential water-rates might be carried out in such a way as to secure a fair equality of burden on account of these rents; to bring to the credit of the Canal Department the amount of revenue which it is fairly entitled to claim; to leave the land revenue, consequently ‘a fixed and unvarying quantity,’ and while giving satisfaction to the people to obtain for the Government its just share of the increased assets arising from works of irrigation constructed at its sole cost.

21. “For this purpose the joint action in concert of the Canal Officer and the Revenue Officer will be indispensable. Neither the one nor the other could carry it out singly. The one will be the best if not the only competent judge of the extent to which water from the canal can be carried with advantage, of the varying quantity which will reach lands at various distances and in various localities, and of the expenses which will be incurred by each village or tract in bringing the water upon its lands; the other will be the best, if not the only competent judge of the degree in which the lands of different villages will be benefited by the introduction of canal water. He will know how far the existence of well irrigation may affect the value of water to be brought from the canal. He will know the extent of cultivated land unirrigated which may be benefited by the canal. He will know, too, the area of uncultivated land which, now yielding nothing, may be made productive by the water derived from the canal; and lastly, he will be able with little difficulty to estimate the degree in which the value of lands of different classes may be affected by canal irrigation according as they are capable or not of bearing sugar-cane, rice, garden stuffs, and the more valuable kinds of crops generally.”—*Government of the North Western Provinces, No. 561 A., dated 1st June 1861.*

For example, in Bengal, under the absolute perpetuity of the land revenue, I should think the principle would not be tenable; but whether it would be legal or not (without an express reservation which would not be politic, for reason above assigned), it appears to me that the process would closely resemble an assessment (not on the water) but on the increased productiveness of the soil;* and that the scheme consequently is not expedient, and must be abandoned.

73. The Canal Department must therefore (it appears to me) realise its revenue by *uniform* water-rates. But there is no reason why, under the operation of a permanent settlement, it should not demand a higher water-rate than it would have done had the system of temporary settlement been continued. Under this latter system, the Government looks for a return from its disbursements, not simply to the water-rate, but to the enhancement of revenue expected at the ensuing settlement. Such an enhancement is, in fact, a second canal charge in another form. The cultivator is assessed in the water-rate by the canal officer; the proprietor is assessed in a part of his increased rental by the revenue officer. It is evident that *so long as this system prevails*, there is great danger in an undue enhancement of the water-rates;† for it is plain that these might be increased to an extent which might prove, in fact, a second assessment upon a rental already fully assessed by the revenue officer. That danger (with an exception to be noted below) would no longer exist under a perpetual assessment. The increased assets arising from irrigation will, under a permanent settlement, be free for ever from a assessment; and the Canal Department will be at liberty to raise its rates for water to as high a point as the people are willing to pay for it. The Government may thus be reimbursed to a certain, though comparatively limited, extent, for the profit which it gives up in relaxing its hold on increased assets in the Revenue Department.

Under permanent settlement uniform water-rates may be raised without detriment.

74. But there is an exception from this rule. The increase of water-rate would, as I have shown, be justified, because the Government abandons its former right of assessing increased profits. But the existing settlements have been already framed upon a calculation which includes those profits; and, so far as this has been done, the above considerations will not be applicable. For example, on the East Jumna Canal, the full effects of which have already been taken into account in the land revenue settlement, there would be no reason (so far as the loss caused by a permanent settlement is concerned) to raise the water-rate at any future period. But in settlements made while an irrigation work (as the Ganges Canal) is in progress, and the effects are only partially developed, the case is different. Suppose a village at settlement without any canal irrigation, to come hereafter within its influence; and to have 500 beegahs under irrigation, whereby the produce is increased by an additional value of 2,000 rupees, and the rental by 1,000 rupees. If the canal rates are raised all round by six annas per beegah (or an equivalent on the *pymana*), the canal revenue would consequently be increased by Rs. 187. 8., representing the gain to Government from the increased produce. Suppose, on the other hand, that the canal irrigation and increase of assets had in this village *preceded* the settlement, the increase of rental must have been then assessed at from probably four to five hundred rupees. And it would consequently be only fair and equitable that if an enhancement of water-rate in consequence of the permanent settlement took place, an estate so situated should be exempt therefrom. Otherwise rental that had been already taxed by the Land Revenue Department would come a second time under the influence of what is intended to be purely a substitute for such taxation.

With one exception.

75. While, therefore, I would advocate the liberty to raise the water-rate, in order to make some compensation for the right of periodical assessment now proposed to be relinquished, allowance should, I think, be made for all estates already under canal irrigation at the settlement, to the extent to which such irrigation may have been taken into account by the settlement officer; and such exceptions from enhanced water-rate would require to be adjusted by the canal officers in concert with the Revenue Department.

76. Colonel Baird Smith has proposed that the canal water-rate should, where irrigation has become sufficiently developed, be consolidated with the land revenue: I think that this could be done only in exceptional cases.‡ Where the water-rate, as I believe to be ordinarily the case, is paid by the *cultivator*, the landlord could not equitably be required to make himself responsible for its payment in perpetuity on the same terms as the land revenue. So also, where one portion of a joint estate held in divided shares benefits to the exclusion of another, or benefits more than another, by canal irrigation, it would hardly be equitable to bind the whole community by a joint assessment to pay the consolidated demand for water, by which they profit unequally, some of them perhaps not at all. Farther, the consolidation could only take place where

Opinion against consolidation of water rate with land revenue.

Note.—This part of Colonel Smith's Report is not included in the extracts which have been sent to our Board, and as we have not been furnished with a copy, I write from the recollection of a rather hurried perusal on a former occasion.

* I need hardly remark that the above objection does not apply to the differential rate sometimes levied on the water used for various crops, because the distinction is here founded on the varying *quantities* of water they require, not on the varying productiveness of the land.

† This point was urged strongly in a Minute now before Government on "the Right of Government in Streams, and the principle of fixing Rates on Water from Canals," dated the 23rd May 1860, paragraphs 19 to 22.

‡ The following Extracts from the Minute dated 23rd May 1860, before referred to, are to the same purport:

13. "In these provinces the universal adoption of the latter mode of assessment (village settlements) renders it quite necessary that the water-rate should be kept distinct from the land revenue. The revenue

where the system of water-courses had been fully completed; and till that had been accomplished the permanent settlement would have to be held open to this future condition. Looking, moreover, to the possibility of occasional failure of supply, it appears to me (so far as the matter has yet been opened up by discussion) that it will be the preferable plan to keep the water demand altogether distinct from the revenue demand.

77. This would not interfere with any arrangement for fixing the canal demand in perpetuity, where that might be found otherwise advisable. Nor would it present any obstacle to the amount assessed as water-rate being collected by the revenue establishment. I have long thought that this would be an improvement on the present system.* The details of water, its rates, and the names of the parties who had engaged for it, would be supplied by the Canal Department, and the amount would then be collected by the Tehseeldar. Where the system is by measurement of area under irrigation, this also would probably be best done by the Revenue Department.

78. It appears to me that all matters connected with the revenue of canals, its demand, and collection, might with advantage be placed under the control of our Board, without the organic change in its constitution, proposed by Colonel Baird Smith, and yet in a manner such as to secure the advantages contemplated by him.

79. Although a new law will not be absolutely necessary, empowering the Government to make its land revenue assessments in perpetuity, yet, in order to give confidence to the people, it may be advisable to procure the sanction of the Legislature to its perpetual limitation. It might be enacted that wherever the Government may declare the assessment of any district, subdivision, or estate, to be permanent, the revenue demandable from the same shall remain for ever limited to that amount; and that no further claim of the nature of land revenue shall be lawful.

80. It may be advisable, where so important and irrevocable a step is to be taken, to provide that no assessments shall be declared permanent without the express sanction of the Governor General in Council, in every separate case.

81. No further legislative provision will, I presume, be required, as all the laws relating to the collection of the land revenue will continue as at present, and no subordinate and relative rights or questions of rent, &c., are affected thereby. It is a mistake to suppose that a permanent assessment will be in any degree incongruous with the principles of settlement introduced by Robert Mertius Bird: it will rather form the final development and completion of them.

82. I would advocate that the road and educational cesses, equal to 2 per cent. on the Government jumma, be consolidated with the Government jumma, and collected as such. In the Treasury accounts the proportion due to each fund would be separated, and assignment made accordingly.

83. I have been concerned to find from his Minute of the 23rd June 1860, that the principle of the Educational Fund does not find favour with the honourable the Lieutenant Governor. The terms laid down by the Seharunpore re-settlement rules, which provide for the payment of this cess, are so far more favourable than those of any previous settlement, that the addition can nowhere be seriously felt.† It is not the place here to urge the benefits to be obtained from this cess. But I trust I may be excused if I say that it appears to me to afford the only prospect of securing a really national system of education, and that it will be a cause of deep regret if it be abandoned.

84. In

is fixed for a term of years for the whole area of a village within certain defined limits. In a co-parcenary estate there are various subdivisions of the proprietary body, and various interests, more or less distinct and separate one from the other. Some of these subdivisions may be benefited largely by the canal water, others in a less degree, and some not at all. The use of canal water varies according to season, and other incidental circumstances. To attempt a consolidation of the water-rate with the revenue would produce insurmountable embarrassment and confusion. The only practicable plan is to make each cultivator pay for the amount of water which he himself takes from the canal. If a body of landholders, or a village, or a cluster of villages, combine to contract for a consolidated payment, they can of course distribute the amount among themselves; but the circumstance would be exceptional, and its continuance would be dependent upon a voluntary and uncertain combination.

15. "Where the settlement is made ryotwary, or direct with each cultivator, there the consolidation of the water-rate and land rent may be possible. But even here, if the lease be (as it should be) for a long term of years, the consolidation will only be possible where the supply of water is perfectly certain and uniform from year to year. Any failure in the supply would lead to the necessity for a re-adjustment of the two elements (land revenue and water-rate) composing the demand, far more confusing and harassing, I should think, than if those elements had been kept separate from the first."

* See paragraph 12 of note by Secretary to Government, dated 29th October 1858, above quoted; and paragraph 24 of the Minute, dated 23rd May 1860, quoted in preceding note.

† It is stated in paragraph 30 of the above Minute, that the deductions according to the Seharunpore rules amount to 8½ per cent., or more than double the income tax: but this calculation is considerably above the reality, because under the standing rules the road and educational cesses are deducted from the gross rental before the apportionment of the 50 per cent. on the Government jumma, and therefore virtually only one-half of the same is borne by the proprietor out of his 50 per cent. of the assets. Moreover, the salary of the putwarry, which forms 6 per cent. of the whole 8½, is a *bona fide* village charge which has always (even under the old hard rules of assessment) fallen upon the zemindars, just as much as any other expense incurred for village servants to help in collecting the rents. It cannot, therefore, be justly compared with the income tax on net profits.

As above shown, the road and educational fund together fall on the zemindar at only one per cent. of his jumma,

Executive Govern-
ment should be em-
powered by law to
fix assessment to
perpetuity.

Road and Educa-
tional cesses.

84. In conclusion I would add that the consideration of the question of a permanent settlement has been discussed entirely on its own merits, and without reference to the privilege of redemption lately conceded by the Viceroy. As the commutation of land revenue by a present payment, wherever acted upon, is to all intents and purposes a permanent assessment, and as moreover it will prove a permanent assessment mainly of those portions of the revenue which are most unfavourable to Government, the argument for a perpetual settlement generally is greatly strengthened by the above measure; if, indeed, the necessity of such a settlement does not follow absolutely as a corollary therefrom.

85. The above remarks have been written hurriedly, as the Government requires an immediate expression of our opinion; and I have refrained from noticing several points of great and general interest discussed in the course of Colonel Baird Smith's report, as they did not appear to me to be essentially connected with the question of a perpetual assessment.

(signed) *W. Muir*,
Senior Member of the Sudder Board of Revenue,
North Western Provinces.

MINUTE by *R. Money*, Esq., Junior Member of the Sudder Board of Revenue, North Western Provinces; dated the 21st December 1861.

IN recording the following remarks on the question of fixing the land revenue of the North Western Provinces in perpetuity, I would premise that I assume the measure to have been determined on and to be inevitable. The policy of removing the bar to improvement which is now presented by the uncertainty of the Government demand is obvious, and the arguments which have been adduced in favour of a permanent settlement appear to be unanswerable. The concession of a permanent settlement is, moreover, partially involved in the option which has been granted to redeem the land revenue in perpetuity.

2. Regarding the question, therefore, as one of time, I shall endeavour to show that arguments may be adduced against the immediate perpetuation of the existing settlement of these provinces of force sufficient to indicate the necessity for delay.

3. Immediate action would involve too heavy a sacrifice in a permanent or prospective loss or relinquishment of land revenue; and, *secondly*, it would fix in perpetuity a settlement which is not equitable.

4. The loss of revenue would be incurred in estates which have benefited by the action of canals subsequently to the last revision of assessment, or of which the assets may hereafter be increased by canal irrigation.

2nd. In estates of which only very small portions of the area were under cultivation, when the present settlement was effected, and of which the assets either have been or might be largely increased.

3rd. In estates of which the present assessment is too heavy in comparison with the general average, and in which a reduction of the demand would be inevitable on a revision of the existing settlement.

5. With regard to estates which have been improved by canal irrigation, it may be sufficient to refer to the statement in the 74th paragraph of Colonel Baird Smith's report, which shows that the assets of 17 villages in the Seharunpore district have risen during the last 20 years from 16,050 rupees to 36,970 rupees, or 130 per cent., and in which the Government demand has now been raised from 11,609 rupees to 16,258 rupees, or 40 per cent. The increase of rental in villages of the Meerut district, shown in the 66th paragraph of the same report, is nearly as remarkable.

6. The Goruckpore district stands out conspicuously as that in which the greatest increase of rent has been obtained by the extension of cultivation since the settlement under Regulation IX. of 1833; but that settlement is now under revision, and a corresponding increase of revenue will be obtained. If, however, there is no district which will in this respect bear a comparison with Goruckpore, there are portions of districts and numerous detached villages scattered over the country which must be placed in the same category. I would instance generally

jumma, the same charge as was formerly made for the road fund alone. Thus, if the net rental were 202 rupees, two rupees (being one rupee for each fund) are first deducted, and the jumma is fixed at half the remainder, i. e., at 100 rupees, or with the two cesses at 102 rupees. Had the cesses not been taken, the jumma would have been 101 rupees, so that the zemindar has in reality but one additional rupee per cent. to pay. If the *principle* be objected to, it might be laid down that 51 per cent. of the rental is to be fixed as the Government revenue, which would provide for both funds; and allotment to them might be made after collection, as proposed in the 80th paragraph.

generally those on the borders of the forest skirting the Himalayan range, and I believe that the seven pergunnahs which form the Tehseeldaree of Husnupore, on the Ganges, in the Moradabad district, and in which a remarkably small proportion of the culturable area was under cultivation at the last settlement, would exhibit an increase differing little in degree from that which has been effected in Goruckpore. To fix permanently the present assessment of the villages of these pergunnahs would be equally unfair to the Government and to the landholders of the remainder of the district. Even if the Government should demand no increase on the aggregate demand of the entire district, the proprietors of those villages which had reached or nearly reached the limit of possible improvement when the present settlement was made, are fairly entitled to demand that the assessment should be equalised before it is fixed in perpetuity.

7. It may be safely affirmed that there is no district which does not contain several estates that are with reference to their capabilities more heavily assessed than the majority, and which would benefit by a reduction of demand on a revision of the settlement. The instances of under-assessment are much more numerous. Justice to the landholders in the former case, and the interests of the State in the latter, point to the necessity of deferring the perpetuation of the settlement until the revision, which is now in progress in a few of the districts of these provinces, shall have been completed in all.

8. The question of realising the return to which the State is entitled on account of its expenditure on canals is much more complicated. The proposed measure must be deferred indefinitely if we await the time when the network of canal irrigation shall have been extended to the utmost practicable limit, and the resources which it will create shall have been fully developed. I should suggest the adoption of a scale of differential water-rates proportioned to the increased profits directly attributable to the canal irrigation. The amount payable by each estate may hereafter be fixed in perpetuity.

9. The inconvenience of collecting the water-rate separately from the several cultivators or under-tenants of an estate might be avoided by a provision that the parties responsible for the payment of the land revenue should hereafter, or so soon as it shall have been permanently fixed on account of any estate, be held liable for payment of the canal assessment, an allowance of 10 per cent. being made for the cost and trouble of collection. The declaration of the fixity of the land revenue demand might, in every instance, be made contingent on the acceptance of this condition.

10. With the proviso proposed in the last paragraph, I would recommend that the land revenue demand of each district should be declared permanent on the completion of the settlement now in progress or impending, but I would strongly deprecate any more premature action as injurious to the interests of the State, and unjust to the many proprietors who would be held entitled to relief on a general revision of the existing settlements.

11. I am of opinion that no amount of direct land revenue, which might possibly be hereafter assessed in excess of the demand which will be fixed at the approaching settlement, could bear any proportion to the increased sources of revenue which will, directly or indirectly, be gradually developed when the utmost possible simplification of the tenure of land shall have been effected and its stability assured.

(signed) *R. Money*, Member.

MINUTE by the Honourable the Lieutenant Governor of the North Western Provinces, in the Revenue Department, under date the 27th of May 1862.

THE questions on which my opinion is required in this department are two, viz. :

Letter from the Secretary to the Government of India, in the Home Department, No. 2033, dated the 7th of October 1861, calling for opinion on the subject of making the settlement of the land revenue, in the North Western Provinces, permanent, as discussed in paragraphs 62 to 82 of Colonel Baird Smith's 2nd Report on the famine.

1st. "The question of a permanent settlement, not only with special reference to the districts which have recently suffered from famine, but as a general measure applicable, sooner or later, to the country at large."

2ndly. The question "as to the value of a legislative sanction for settlements for terms of years in districts," the existing settlements of which may not be of a character to be made permanent; in reference to its effect in improving "the tenure of land."

2. It will be convenient to dispose of this second question before proceeding to the consideration of the much more important and difficult subject of giving permanency to the settlement of the land revenue in these provinces.

3. In the course of the settlements which were effected in the North Western Provinces under Regulation IX. of 1833, and confirmed for certain specified periods by Act VIII. of 1846, in so far as the demand of the Government was concerned, all claims to proprietary right in land were determined by judicial inquiry, and carefully registered. The title so secured is fixed and permanent, though the assessment on the land is liable, as the law now stands,

stands, to variation on the expiry of the periods stated in Act VIII. of 1846. To use Colonel Baird Smith's words (paragraph 79), "the enjoyment of these (rights in the soil) is guaranteed to their proprietors by the most solemn and repeated sanctions." It does not appear to me, therefore, that the "tenure of land" in those districts, of which the existing settlements are not such as should be made permanent, can be "improved" by giving a "legislative sanction" to those settlements. Nor am I aware that any of the objections to which at present temporary settlements are open would be removed by that measure.

4. The other and more important question has engaged my best attention, and I should probably have given expression to my views before this, but for the interruptions incident to my tour, and the hope that I might meanwhile receive the remarks and opinions of the officers of the Irrigation Department on the points discussed in paragraphs 146 to 164 of Colonel Baird Smith's report, relative to the administration of the Irrigation Department, and to the means whereby, in his judgment, "the interests of the Government (in that department) may be so guarded as to ensure their being no obstacle to the perpetual settlement of the land revenue." But I am reminded by a recent letter from the Government of India that the further postponement of my reply is undesirable.

5. In the remarks* which I was required to submit on the report of Mr. Paterson Saunders, I have committed myself to the opinion that, in the present condition of these provinces, a permanent settlement of the land revenue may be introduced with great benefit, subject to certain conditions and exceptions; and I have pointed to the ground of that opinion in the fact that the system of leases for long periods, which has latterly distinguished the revenue administration of the North Western Provinces, and which has encouraged the application of capital to the land, resulting in very great improvement, would have its legitimate issue only in a perpetual fixity of the Government demand.

* See your letter No. 1866, dated the 16th September 1861.

6. Regard being had to those remarks which have in some degree anticipated what I should have recorded on the present occasion, it cannot be necessary for me to discuss all the arguments for and against the measure under notice; the less that they have been considered and impartially set forth in the minute of the senior member of the Board of Revenue, North Western Provinces, and that the conclusion arrived at by Mr. Muir is in accordance with the recommendation which is so powerfully and emphatically urged in Colonel Baird Smith's report.

7. I do not in the least doubt that the gradual and cautious concession of a guarantee of permanency to the settlement of the land revenue in the North Western Provinces generally, will be productive of all the advantages which Colonel Baird Smith and Mr. Muir, in even greater detail, have depicted. Judging by the effect of settlements for long periods, it may be safely anticipated that the limitation of the Government demand in perpetuity, will, in much larger degree, lead to the investment of capital in the land. The wealth of the agricultural classes will be increased. The prosperity of the country and the strength of the community will be augmented. Land will command a much higher price. The prospective loss, which the Government will incur by relinquishing its share of the profits arising from extended cultivation and improved productiveness, will be partly, if not wholly, compensated by the indirect returns which would be derived from the increased wealth and prosperity of the country at large.

8. Nor should the minor advantages of freeing the people from the vexation and exaction which are inseparable from a periodical settlement of the land revenue, of saving the large expenditure which each revision of settlement entails upon the Government, and of removing the temptation which the approach of each such revision holds out to land proprietors of temporarily deteriorating their property, be disregarded. These are all burthens which bear, with more or less severity, on the Government and on the people, and if they can be got rid of without lasting detriment to the revenues of the State, few will be found to offer any opposition.

9. It must also be admitted, I think, that the settlement of the Government demand in perpetuity will be politically wise. It is true that in Behar, and also in some of the districts of the Benares Province (notably Ghazee-pore) which are permanently settled, the rebellion of 1857-58 was not less general or less determined than in other parts of these provinces, which are under temporary settlement. But these manifestations of feeling must be regarded as having been the result of exciting causes, having but a transient influence, and can hardly detract from the force of the conviction that the absolute limitation of demand upon their land will be received by an agricultural people with the highest satisfaction, and will produce, if anything can, feelings of attachment to the Government, and of confidence in its desire to promote the best interests of the country.

10. But it certainly appears to me that the introduction of a permanent settlement must be subject to certain conditions, exceptions, and reservations; and that some years must pass away before the measure can be consummated. Precipitancy in a matter of this vast importance is to be deprecated, as pregnant with injury both to the Government and the people.

11. The primary condition is that the existing settlements in the districts of these provinces must be revised with the utmost care and deliberation before they are declared

to be permanently binding upon the people and the Government. These settlements were effected under the able direction of the late Mr. Robert Mertius Bird, by a selected agency; but it was only gradually that the intricacy and complication of the work were evolved, and that the system was adequately elaborated. It is no reproach to those who were engaged in this difficult and important operation to hold that mistakes must have occurred; that inequalities must prevail, some villages being overburthened, while others are insufficiently assessed; and that the mere march of time, with its attendant changes, has disturbed arrangements which, at the time, may have been just and sufficiently appropriate.

12. To perpetuate these inequalities, which are known to exist, would be unfair both to the Government and to the people. Under the system of temporary settlements, it is possible, periodically, to adjust the burthen of the demand upon the land by raising the assessments where they are so low as to leave an extraordinary profit to the proprietors, in order to compensate for the relief that must be given to those estates which are depressed by the weight of a demand which their assets are insufficient to meet, or which they can meet only with great difficulty. A settlement once declared by law to be perpetual, this power of periodical adjustment will cease; and the loss arising from unavoidable reductions, or, alternatively, from constant remission of unrealisable balances, will fall upon the Government; while the proprietors of estates which are under-assessed, will be in the enjoyment of profits, whether from extended cultivation or other cause, to a share of which the Government would be fairly entitled, but which they will be debarred from claiming if the existing settlement be perpetuated without revision.

13. On the other hand, such perpetuation, without the previous inquiry which all agree in advocating, would be no less unfair to the people, upon whom the burthen of taxation ought to fall equably. The proprietors of over-assessed estates would be borne to the ground by an insupportable weight which they could never throw off. They would be taxed at a rate double or treble of that applied to their more fortunate neighbours, and so be suffering for the benefit of those whose obligations to the Government is nowise different. Improvement would be out of the question. Alienation of the property would, in all probability, be the issue. Conversely, the parties possessing landed property inadequately assessed to the Government revenue, would be exempted for ever from their fair contribution to the necessities of the State, and would have an undue advantage over their brethren "in the race of improvement." Under such circumstances there could not but be much dissatisfaction and discontent, and these not unreasonable, instead of the gratification and the confidence, and the security, which it is the object of the contemplated measure to produce.

14. Another consideration which makes this condition of a preliminary revision more obligatory, is that all the districts in these provinces have a similar and an equal right to benefit of the rule, by which the proportion of the assets, hitherto appropriated as land revenue, has been reduced from two-thirds to one-half. The district of Seharunpore has been re-settled already, and has been admitted to the advantage of this rule. In the settlements which are now progressing in the districts of Moozuffernuggur, Boolundshuhur, and Goruckpore, the same principle has been from the first observed. And there can be no just reason for excluding from the benefit of this rule, whatever that may be, those districts which have not yet come under re-settlement. This, however, is an injustice to which the declaration of perpetuity, without a previous revision of settlement, would give rise.

15. The necessity, then, of this revision cannot, I think, be denied. It must be carried out, as the settlement of each district falls in,* by the best agency that can be secured, and with all the precautions that are within our reach, as pointed out in the 47th and 48th paragraphs of Mr. Muir's minute. The settlement so revised, after being submitted to the scrutiny of the superior revenue authorities, and being confirmed by the Government, would be declared perpetual, in pursuance of authority which should be given by a law in that behalf, either to the Governor General in Council, or the local government.

16. But I am of opinion that certain districts of these provinces must be *excepted* for many years to come from this measure, and there will not be, as Mr. Muir has observed, any repugnance to the terms of Regulation IX. of 1805 in this postponement. The great benefits of a permanent settlement being admitted, it almost savours of injustice to deny them to one or more districts, while they are conceded to others; but the Government is entitled to bear its own interests in mind, and it is on this ground that I would exclude the following districts from the operation of the measure contemplated, until they shall have attained to "a sufficiently improved state of cultivation" to warrant the concession:—

1st. The *Terai District* is almost entirely unreclaimed. It has an extensive area and fertile soil. But it is very sparsely peopled, and the climate is so insalubrious that people are found unwilling to settle there, even on very favourable terms. In this respect improvement will be gradually effected by draining the swamps, and leading the water into artificial channels for purposes of irrigation; but, until this be accomplished, the population increased, and cultivation extended, this Terai district cannot yield a revenue bearing any reasonable proportion to its area, or its latent capabilities;

* Act VIII. of 1846 shows the year in which the term of each existing settlement will end.

capabilities; and I cannot advise that the Government, by making a settlement in perpetuity, should shut itself out for ever from its legitimate share of the profits, which will accrue as the reclamation and material improvement of this tract progresses.

2nd. The *District of Ajmere* does not appear to me, as at present advised, to be ripe for a permanent settlement.

3rd. The *District of Jhansie*.
4th. The *District of Oraie*.
5th. The *District of Lullutpore*. } These three districts, belonging to the Jhansie Division, lie on the right bank of the Jumna in Bundelcund. They are at present in a very backward state, and are peopled by races who are the least industrious and least enterprising of agriculturists. There are extensive areas lying waste, which cannot, I conceive, be reclaimed for years to come, even though capital should be forthcoming, simply because the population is in no due proportion to the extent of land which is available, and because the climate of Bundelcund is so uncongenial to the natives of other parts, that new cultivators will not accept land there so long as it is to be had elsewhere.

17. It may be reasonably anticipated that in course of time, and under the encouragement of a light assessment, and a more settled state of things than has usually existed in these quarters, the breadth of cultivation will be extended, and the prosperity of the people be improved. That these results might be in some measure accelerated by a perpetual limitation of the Government demand, as contended for in paragraph 54 of Mr. Muir's Minute, I will not take it upon myself to deny; but I think at the same time that the sacrifice of prospective revenue will be greater than the Government is called upon to accept, and that the measure will be premature in its application to districts which for the most part have been in our possession for no more than eight or ten years.

18. In respect of their physical features these districts resemble Humeerpore and Banda, and the Trans-Jumna Pergunnahs of Allahabad, and so far the description given in paragraph 52 of Mr. Muir's Minute applies equally to all; but there is no question that Banda and Humeerpore, which have been under British rule since 1804, are in a more advanced, and also in a more settled condition, notwithstanding that the former has suffered grievously from repeated over-assessment, and is only now recovering slowly from the depression to which it was reduced, under the operation of a favourable settlement, recently effected in a summary way.

19. It is to be regretted that statistics are wanting for the three districts of Jhansie, Oraie, and Lullutpore, and therefore their condition cannot be accurately compared with that of Humeerpore and Banda. But, in respect of these latter, the report on the census of the North-Western Provinces, taken on the 1st January 1853, affords data which enable us to compare them with the other districts of these provinces to which, it is agreed, a permanent settlement may be given; and this may conduct us to a decision of the question now under notice, namely, whether the districts of Banda and Humeerpore may be included in the measure which is contemplated. There are no data more recent than those referred to, and some changes must have taken place since, but these need not interfere materially with the deductions.

20. According, then, to this census of 1853, the average rate of population in the North-Western Provinces was 420 to the square mile, and the per-centage of "agricultural" on total population was 64·7. In Humeerpore the former was represented by 245, and in Banda by 247; while the latter was represented by 71·9 in Humeerpore, and by 69·0 in Banda. Here one great difficulty, against which these districts have to contend, is made apparent. It is, to use the words of the Report, "the scantiness of population as compared with the arable land, and the cry is not for broad acres to till, but for strong arms to guide the plough." The same fact is further shown by a comparison of the area in the hands of each agriculturist, which amounted in Humeerpore to 3·63 acres, and in Banda to 3·75 acres, while the general average in the provinces was 2·86 acres.

21. Still, notwithstanding this difficulty, the proportion of cultivated to total area in these two districts does not contrast so unfavourably as might have been expected with that recorded in the report of other districts possessing much superior advantages.

The general average for the provinces of the "per-centage of cultivated on total area" was	-	-	-	-	-	-	-	-	53·0
In Humeerpore	-	-	-	-	-	-	-	-	53·6
In Banda	-	-	-	-	-	-	-	-	43·9

In Humeerpore, then, at the time the census was taken, the proportion of cultivation was in excess of the average, while in Banda, though 10 per cent. under the general average, it was little below the per-centage in Goruckpore (47·5); Azimghur (49·5); Bijnore (48·5); Moradabad (48·6); Shahjehanpore (48·4). All these, Azimghur excepted, are sub-Himalayan districts, possessing belts of forest, but they still afford a tolerably fair standard of comparison. It may, however, be desirable to examine the extent of *barren* area which each possesses, and the proportion of the cultural assessable area which was under tillage at the time of the census.

22. The per-centage of barren acres on the total area is stated in the Report to be in the									
district of Bijnore	-	-	-	-	-	-	-	-	33.4
Moradabad	-	-	-	-	-	-	-	-	18.6
Shajehanpore	-	-	-	-	-	-	-	-	18.6
Humeerpore	-	-	-	-	-	-	-	-	23.2
Banda	-	-	-	-	-	-	-	-	22.5

while of the whole culturable assessable area is cultivated—

In Bijnore, a proportion of	-	-	-	-	-	-	-	-	70.3
Moradabad	„	-	-	-	-	-	-	-	63.3
Shajehanpore	„	-	-	-	-	-	-	-	36.8
Humeerpore	„	-	-	-	-	-	-	-	58.9
Banda	„	-	-	-	-	-	-	-	33.8

In the comparison of the “per-centage of cultivation on total area,” those districts which possess the largest extent of barren acres, show, of course, results much worse than in point of fact exist. The relative condition of the districts in regard to existing cultivation and future capabilities of extension will be more clearly exhibited by the proportion of the *culturable* area which has been brought under the plough; and tested in this way, Humeerpore is nearly on a par with the prosperous district of Moradabad, while Banda, with all its disadvantages of inadequate population, climate, difficulties of irrigation, and past misfortunes, is not far behind Shajehanpore, which has a population of 427 to the square mile.

23. All the circumstances considered, I must express my opinion that there is no sufficient reason for excluding either Banda or Humeerpore from the benefits which are expected to result from a permanent settlement, if that boon be given to the province of Rohilcund, and to the districts of Azimghur and Goruckpore, even though, as I am aware, the latter district has made great advances since the time when these statistics were collected. If we are to be guided by the declaration of Section 7, Regulation IX. of 1805, then [I think, regard being had to the peculiarities of Bundelcund, it must be held that the districts of Banda and Humeerpore have attained, as compared with other more favoured districts, to “a sufficiently improved state of cultivation” to warrant the concession of permanency to their settlements after these have been duly revised.

24. Neither would I be disposed to exclude the Trans-Jumna Pergunnals of the Allahabad district. I believe that they are very backward, and that the people are extremely ignorant, slothful, and unenterprising; but they compose only a small portion of the Allahabad district, and it does not seem to me to be worth while, for the sake of the small enhancement of revenue which might be derived from them in years to come, to except them from the operation of a measure which will be applied to the rest of the district to which they appertain.

25. It may be left for future consideration whether the district of the Dehra Dhoon, in its very peculiar circumstances, shall be brought under a permanent settlement. There, as in the hill districts of Kumaon and Gurhwal, I should be disposed to leave the effect of the resolution of the Governor General in Council, dated the 17th October 1861, relative to the purchase, in fee simple, of the waste lands, and to the redemption of the land tax, to develop itself, before attempting to introduce the measure now under consideration.

26. But the most difficult section of this important subject remains to be considered. If the public demand on the land is to be fixed for ever, how is the right of the Government to a share in the enhanced profits, produced by irrigation from canals which have been constructed, or which, being now in progress, may be hereafter completed at the sole cost of the Government, to be protected and secured? I have viewed this question in every light, and I have bestowed upon it my most anxious consideration; but I cannot say that I have arrived at any conclusion which is satisfactory to me.

27. All the facts and the embarrassments arising out of them are clearly stated by the late Colonel Baird Smith, and the question is ably discussed, in its various aspects, by Mr. Muir, the senior member of the Sudder Board of Revenue, North-Western Provinces, in paragraphs 62 to 77 of his Minute. It is needless for me to go over the ground which has been already trodden; but I shall be expected to express an opinion as to the course which should be preferentially followed.

28. The following propositions seem to be undeniable. The Government has an unquestionable right to derive a profit from canals which have been constructed, or may be hereafter constructed, solely at the public cost. This profit is divisible into two elements; namely, the one, water rent, or the price of the water furnished by the canal; the other, the increased land revenue arising from the improved productiveness of the land, and, consequently, the enlarged assets due to irrigation from the canal. This enhanced value of their lands being due in no way to the application of their own capital, the landholders, and others who use water from the canal, may be justly required to pay to the Government a share of the profits which they derive from it.

29. To protect the interests of the State under a land settlement, declared to be permanent, of those districts which have canals of irrigation executed at the sole cost of the Government, or which may hereafter receive them, Colonel Baird Smith proposes, in paragraph 158 *et seq.* of his Report, the formation of "an Irrigation Survey and Settlement Establishment," by which "the value of irrigation, as influenced by differences of level, of soil, of supply, and so on, would be determined by close and careful inquiry on the spot, and rates of water revenue, checked and guarded with as much care as those of land revenue, would be obtained, and applied in fixing at a light and equitable total, the demand of Government for water." It is apparently a condition of Colonel Baird Smith's scheme that the water should be delivered "by specific volumes" (paragraph 156), "by measure through regulated outlets" (paragraph 165). He proposes that, ultimately, the canal revenue should be consolidated with the land revenue, the demand being "carefully discriminated in record and account, and credited duly to the Land Revenue and the Irrigation Departments in its proper proportions."

30. Had the Ganges Canal, the canals in Rohilcund, and other irrigation works in progress, reached their full development, as the Eastern Jumna Canal is believed to have done, and were there no probability of other similar works being undertaken, the application of Colonel Baird Smith's system (if feasible in itself) would perhaps offer the best means of securing to the Government its fair share of the profits due to the employment of its capital on the execution of the works in question. But this is in no wise the fact. It is calculated that not less than 1,000 miles of main distributing channels (Rajbuhas) remain to be excavated in the divisions of the Ganges Canal; and even, when these shall have been completed, the irrigation will not be developed until the villages generally within reach of the canal shall have acquired confidence freely to take the water, and until the village water-courses shall have been prepared. These results cannot be brought to pass within the currency of existing settlements of the land revenue, so as to admit of the "irrigation settlement" proceeding simultaneously, and *pari passu* with the contemplated revision of the public demand on the land before declaration of perpetuity. And even if there were any reasonable prospect of this, the execution hereafter of other works of irrigation would create the same difficulty, and it would need to be surmounted somehow.

31. I am afraid, too, it must be admitted, as argued by Mr. Muir, that it is hardly possible to lay down any rule whereby "the power of the Government to take the increased profits due strictly to the influence of its own capital, could be defined and limited in a satisfactory and absolute manner,"* in the case of a reservation being made to Government of a right to assess profits due to the operation of its own canal, when fully developed. Nor can I think that Mr. Muir's objections to any such reservation are weak or groundless. The people are peculiarly suspicious of the intentions and the purposes of the Government, and they would not fail to regard any reservation of such a right as a practical abnegation of the permanency which it would profess to give to the assessment of its demand on the land.

*Paragraph 70 of Muir's Minute.

32. What is apparently contemplated by Colonel Baird Smith's scheme is the assessment of differential water rates, determined by differences of level, of soil, and of supply; but Mr. Muir holds that such an assessment could not be carried out, on the introduction of a permanent settlement, "without a special reservation sanctioning it in the act of perpetuity," because it would be an assessment rather on the increased productiveness of the soil, already assessed in perpetuity, than on the water.

33. On another occasion,† when this subject was brought before me, I expressed my belief that, "by the simultaneous and united action of the Collector and the canal officer, an assessment of differential water rates might be carried out in such a way as to secure a fair equality of burthen on account of these rents; to bring to the credit of the canal department the amount of revenue which it is entitled to claim; to leave the land revenue consequently 'a fixed and unvarying quantity;' and, while giving satisfaction to the people, to obtain for the Government its just share of the increased assets arising from works of irrigation constructed at its sole cost." At that time the question of a permanent settlement had not been mooted, and the complications arising out of the declared permanency of the public demand on the land were not in my view. It seemed to me that the increased value acquired by different lands, and by the same classes of soil in different localities, might be determined; but this process would certainly proceed, in some measure, on considerations of "the increased productiveness of the land itself," and in the case of a district, the settlement of which should have been declared perpetual, would be barred, unless there were an express reservation, the expediency of which is more than doubtful.

† See note to paragraph 72 of Mr. Muir's Minute.

34. Still, if the scheme of assessment at differential rates is in itself feasible, it might be put in execution *simultaneously* with the revision of the land revenue. But here again the difficulty which has been already noticed interposes, namely, that the system could be applied only in canal districts, where the irrigation should have reached its largest development; and it follows as a consequence that, if this plan were chosen, the settlement of very few of the districts adjacent to the Ganges Canal and its branches, or to the canals in Rohilcund, could be declared permanent for years to come. And as it must be assumed that as time advances other works of irrigation will be projected, the postponement above indicated would be almost tantamount to a denial of a permanent settlement *in toto*.

35. The only officer, however, possessing a long and intimate experience of the irrigation system, whom I have had an opportunity of consulting as to the feasibility of Colonel Baird Smith's scheme, entertains very serious doubts on the point. If, as has been assumed above, it is a condition of that scheme, that the water shall be delivered by measured discharge through regulated outlets, then, according to my adviser, this would be the first obstacle to success. Admitting that in theory this system is quite unimpeachable, he holds that on the Ganges Canal it is at the present time certainly impracticable. The grounds on which this opinion rests are briefly stated in the following extract from an official letter on the subject:—

"The Pymana system * * * requires, as an essential element, that the pressure of water over an outlet shall be maintained practically invariable (0·3 foot). To provide for fluctuations in the volume of water carried by a Rajbaha, and to keep the pressure over an outlet constant, some device similar to the modules in use on the canals of Lombardy is necessary. But it has been found by experience that the station module fails on all canals hitherto constructed in this country, owing to the presence of silt in the water. Silt not only renders the fluctuations in the volume of water entering a Rajbaha head too great for the module to control, an evil which, if it existed singly, might probably have been remedied, but it chokes up the module itself. Various ingenious modifications of the module have been, from time to time, proposed with a view to adapt it to our canals, but up to this date none have been reported successful. Thus, then, the introduction of the Pymana system on the canals of these provinces generally is, at present, impracticable.

"Supposing, however, that this difficulty were overcome, and that some mode of maintaining a constant pressure of water over irrigation outlets were devised, it would be still premature to introduce the Pymana system on the Ganges Canal even at this stage of its progress. Payment for water by known volumes implies a contract between the canal officer and the cultivator. How are the terms of the contract to be determined? The canal officer knows very imperfectly, the cultivator not at all, what volume of water is required to irrigate a certain area of land. The difficulty of arriving at a satisfactory conclusion on this point is enhanced when several kinds of crops, each demanding a different amount of irrigation, have to be provided for. The data required can be obtained only by extended experience.

"Again, no scheme for supplying canal water on contracts, based either on a standard measure, or an average of past years, can succeed until all irrigation outlets are constructed of masonry, or other material of a permanent nature. That this is not easy of accomplishment may be proved by a reference to the Eastern Jumna Canal, from which irrigation has been carried on for the last 30 years, with every desire on the part of the several officers who have held charge of that canal, to substitute masonry for wooden outlets; but the task up to this date has been but imperfectly executed.

"Lastly, for the satisfactory fulfilment of contracts on the side of the canal officers, it is absolutely necessary that the volume of water carried by a canal should be liable to the minimum of variation; that, as in the case of the Ganges Canal, the portion of the whole volume to be allotted to each division of the main canal, and to each branch, should be rigidly determined; and that the whole of the minor branches, or Rajbahas, should be completed both in number and in working details. How far these necessary provisions exist on the Ganges at the close of this the eighth year of its existence, it is needless to point out.

"The remarks in the last two paragraphs, though made with reference to contracts generally, apply with especial force to the Pymana system, which is indeed a system of contracts founded on refined scientific principles."

36. But even if these obstacles to the distribution of canal water by measured discharge should be overcome in the course of years, the officer alluded to believes that the work of making a differential assessment of the nature contemplated will be so beset with complications and difficulties, that the result will be very unsatisfactory. Colonel Baird Smith indeed (paragraph 77 of Report) felt confident that there would be no serious difficulty in "the working out of plans whereby the influence of canal action might be made compatible with a perpetual settlement of the land revenue," and he must in his own mind have had a full conception of these plans; but he has not, unfortunately, developed them in his Report, and his lamented death has deprived the Government of the details, which he would have ably elaborated, of the system he contemplated.

37. If, then, the declaration of perpetuity, in respect of the public demand on the land in the North-Western Provinces, cannot be deferred until works of irrigation in progress shall have reached their full development; if, in the declaration of perpetuity, no reservation can be made to Government (without risk of exciting distrust) of the right to assess profits arising from the action of canals, constructed solely at its own cost, on their attaining to their full development; and if, consequently, the assessment of differential rates of water rent is barred, in that it must be guided, in some measure, by the increased productiveness of the land on which the public demand will have been declared fixed for ever; if these things must be, the only resource left to the Government appears to be that which has been suggested by the senior member of the Sudder Board of Revenue,* namely, that the rates of water rent should be raised, in order to make some compensation to the Government for relinquishing prospective accessions to its land revenue on the recurrence of periodical settlements. But in this even great caution will be necessary, lest the Government defeat its own purpose. On the Eastern Jumna Canal, which has been in active operation

* Paragraphs 73-75 of Minute.

operation for 30 years, and has, in the course of this period, so superseded all other modes of irrigation as to render the people almost entirely dependent upon it, the price of water may, it is believed, be raised very considerably without any fear of diminishing the demand for it. But the Ganges Canal is in its infancy. It was opened only in 1855, and then but partially, very few of the distributing channels having been excavated. In the terminal divisions (Cawnpore and Etawa) these are still very backward. Nowhere is irrigation from it developed to nearly its full extent. The people have not yet acquired sufficient confidence to take the water freely, and they are by no means dependent upon this source of supply. The imposition of largely increased water rates, at the present time, and for some years to come, would have the effect of checking, perhaps putting a stop altogether to, irrigation from the canal, which it must be the object of the Government, both for its own sake and for the sake of the country, to encourage and foster by all possible means.

38. In view of the large sacrifice* to which the Government must submit by giving permanency to a settlement of the land revenue in these "zones of irrigation," before the sources of that irrigation have been fully developed, I should have been disposed to advise the postponement of the measure for such period as might be necessary to bring about that development; but that the arguments advanced in paragraphs 64 and 78 of Colonel Baird Smith's Report are convincing as to the wisdom of its earlier execution, and further that the difficulties which have been discussed in these papers must recur hereafter, if, as may be assumed, the action of the Government in respect of works of irrigation should not cease with the completion of those now in progress.

(signed) G. F. Edmonstone.

(Revenue, No. 15.)

To His Excellency the Right Honourable the Governor General of *India*
in Council.

India Office, London,
23 March 1867.

Sir,

PARA. 1. I have considered in Council the Despatch from your Excellency in Council, dated the 20th November last (No. 29), on the subject of the permanent settlement of estates affected, or liable to be hereafter affected, by canal irrigation.

2. In Lord de Grey's Despatch of the 17th March 1866 (No. 17), it was proposed that a rule should be laid down, excluding from permanent settlement all estates "the assets of which would, when canal irrigation shall have been carried to the full extent at present contemplated, exceed, in the opinion of the officers of the Settlement and Irrigation Departments, the existing assets, in a proportion exceeding 20 per cent."

3. The Board of Revenue at Allahabad desire to generalise the terms of this rule so far as to extend it to exclude from permanent settlement all estates "the assets of which have not reached 80 per cent. of the amount which they are susceptible of attaining under a full development of the available means of cultivation and irrigation." Such a rule would, as your Excellency observes, exclude from settlement all estates which, "by means of wells, embankments, watercourses, manure, location of cultivators, &c.," and, still more, by extension of the facilities of railway communication, had not reached the "maximum or potential limit of excellence," and would, as it appears to me, indefinitely postpone the time when, in the case of the great majority of estates, any permanent settlement could be permitted.

4. The Lieutenant Governor of the North-Western Provinces would, on the other hand, withdraw all restrictive rules (retaining only, I presume, the rule which requires that 80 per cent. of the cultivable area shall be under actual
cultivation

* See tables in paragraphs 66 and 74 of Colonel Baird Smith's Report, as showing the effect of canals in adding to the value of the gross produce of the land, and, consequently, in increasing assets.

cultivation before a permanent settlement shall be granted), and considers that, "as a measure of large and enlightened policy, the permanent settlement of these provinces should be carried out unhampered by further conditions."

5. Your Excellency in Council is of opinion that the rule prescribed by Earl de Grey, "if limited to such tracts as will certainly, or with reasonable likelihood, within a definite period, come under the influence of canal irrigation," would not cause "injury or harm from its application," and would "certainly to some extent, guard the financial interests of Government, and promote uniformity of assessment." Your Excellency, however, seems to think that the terms used by Lord de Grey, "when canal irrigation shall have been carried out to the full extent at present contemplated," should be construed to apply only to lands to which "canal irrigation will certainly, or within reasonable probability, extend within a given period, say five or six years." In regard to such lands you propose "to limit the engagement to 10 or 15 years, within which period the expectations of the irrigation and revenue officers, as to extended use of canal water, would, no doubt, be realised."

6. I have very carefully considered in Council the various documents which have been placed before me, and, after giving full weight to the varying, and indeed conflicting, opinions of the high authorities who have recorded their views on the subject, I have now to convey to you the final decision of Her Majesty's Government.

7. In consenting to a permanent settlement of the land revenue at the present time, Her Majesty's Government are advisedly making a great financial sacrifice in favour of the proprietors of land. They are giving up the prospect of a large future revenue, which might have been made available for the promotion of objects of general utility, and might have rendered it possible to dispense with other forms of taxation. This sacrifice they are prepared to make in consideration of the great importance of connecting the interests of the proprietors of the land with the stability of the British Government. It is right, however, that I should point out that the advantages now conferred upon the landholders are far greater than those contemplated in former times, and especially that they are quite beyond the scope of the expectations held out when Lord Cornwallis originally formed a similar settlement in Bengal and Behar. The assessment made by Lord Cornwallis left rather less than one-tenth of the rental to the zemindar. The present assessment will leave him one-half; and, in addition to this, one-fifth of the cultivable land, if at present uncultivated, is to be allowed to remain free of assessment for ever. Moreover, this settlement, instead of being granted (as was the case in Bengal and Behar) at a time of extreme depression and impoverishment, is granted at a time of unparalleled hopefulness for all kinds of industry in India, when the demand for every kind of produce is rapidly increasing and the price rising, and when railways and other forms of enterprise are beginning to develop the vast resources of the country, and to add to the wealth of all classes, and most especially to that of those connected with the land.

8. Under these circumstances, it does not appear to be either necessary or reasonable that the Government, as trustees for the whole body of the people, should confer upon the landholder, in addition to the other benefits which I have pointed out, the whole of the great increase in the value of his land which will certainly result from the extension of irrigation, without making any reservation on behalf of the public interest. The only feasible mode of making such reservation appears to be, to withhold the permanent settlement in cases where irrigation is likely to be effected within a reasonable period; and it is with this view that my predecessors have laid down the rules now under consideration. In the justice of the principle on which those rules are founded, I entirely concur. It only now remains to define the period for which it will be right to defer the permanent settlement for lands capable of profitable irrigation, but not yet irrigated. I am of opinion that this period should be not less than 20 years. Great injustice and inequality would result from the adoption of a shorter period; for the projects of irrigation which are now in their infancy will probably receive a large development in the course of the time I have mentioned;

mentioned ; and it would be unfair to enforce the claims of the State upon lands which may be irrigated within the next few years, leaving the estates to which the same boon may be extended a little later entirely free from it. Such a course, besides being unfair, would probably tend to retard the extension of irrigation, by making it the interest of the landholder that it should be deferred till his assessment has been completed.

9. I have, therefore, to desire that the following rules may be observed before estates in the North-West Provinces, or elsewhere, are admitted to permanent settlement, viz. :—

First. No estate shall be permanently settled in which the actual cultivation amounts to less than 80 per cent. of the cultivable or malgoozaree area ; and

Secondly. No permanent settlement shall be concluded for any estate to which canal irrigation is, in the opinion of the Governor General in Council, likely to be extended within the next 20 years, and the existing assets of which would thereby be increased in the proportion of 20 per cent.

I have, &c.
(signed) *Stafford H. Northcote.*

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EAST INDIA (LOAN).

RETURN of all MONIES raised on LOAN under the Provisions of the Acts
21 Vict. c. 3; 22 Vict. c. 11; 22 & 23 Vict. c. 39; 23 & 24 Vict. c. 130;
and 24 & 25 Vict. c. 25.

Per Act 21 Vict. c. 3	-	-	-	-	-	-	£. 7,816,645.	7.	1.
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Per Act 22 Vict. c. 11	-	-	-	-	-	-	£. 6,753,980.	14.	7.
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Per Act 22 & 23 Vict. c. 39	-	-	-	-	-	-	£. 4,857,996.	16.	1.
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Per Act 23 & 24 Vict. c. 130	-	-	-	-	-	-	£. 2,961,655.	18.	4.
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Per Act 24 & 25 Vict. c. 25	-	-	-	-	-	-	£. 3,962,412.	5.	6.
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India Office, }
14 February 1867. }

William G. Goodliffe,
Accountant General.

EAST INDIA (LOAN).

RETURN of all MONIES raised on LOAN under
the Provisions of the Acts 21 Vict. c. 3;
22 Vict. c. 11; 22 & 23 Vict. c. 39; 23 & 24
Vict. c. 180; and 24 & 25 Vict. c. 25.

(Presented pursuant to Acts of Parliament.)

*Ordered, by The House of Commons, to be Printed,
15 February 1867.*

EAST INDIA (REVENUES).

A RETURN of all STOCKS, LOANS, DEBTS, and LIABILITIES chargeable on the EAST INDIA REVENUES, at Home and Abroad, up to the latest Period of Time to which such Return can be made out; viz. *England*, 31st December 1866; *India*, 30th April 1865.

(Presented pursuant to Acts 21 Vict. c. 3; 22 Vict. c. 11; 23 & 23 Vict. c. 39; 23 & 24 Vict. c. 130; and 24 & 25 Vict. c. 25.)

Ordered, by The House of Commons, to be Printed,
15 February 1867.

RETURN of all STOCKS, LOANS, DEBTS, and LIABILITIES Chargeable on the EAST INDIA REVENUES,
England, 31st December 1866 ;

INDIA :	REGISTERED DEBT.			L O A N S.			TREASURY NOTES.-		
	Bearing Interest.	Not bearing Interest.	TOTAL.	Bearing Interest.	Not bearing Interest.	TOTAL.	Bearing Interest.	Not bearing Interest.	TOTAL.
(The Rupee converted into Sterling at the exchange of 2 s.)	£.	£.	£.	£.	£.	£.	£.	£.	£.
Government of India	61,830,020	57,924	61,887,944	2,672,980	85,956	2,758,936	1,282,584	352	1,282,936
Bengal - - -	- - -	- - -	- - -	- - -	- - -	- - -	9,030	- - -	9,030
North Western Provinces - - -	- - -	- - -	- - -	- - -	- - -	- - -	55,208	- - -	55,208
Punjaub - - -	- - -	- - -	- - -	- - -	20,550	20,550	- - -	- - -	- - -
Madras - - -	32,400	49,252	51,652	- - -	- - -	- - -	489,682	- - -	489,682
Bombay - - -	- - -	210	210	- - -	- - -	- - -	9,050	- - -	9,050
30 April 1865. £.	61,862,420	77,386	61,939,806	2,672,980	106,506	2,779,486	1,845,554	352	1,845,906
ENGLAND :				East India Bonds.	East India Debentures.	India Five per Cent. Stock.	India Four per Cent. Stock.		
				£.	£.	£.	£.		
31 December 1866.				4,720,917	4,998,000	16,870,100	2,441,000		

The above is exclusive of the charge upon the Revenues of India, under the Act of 3 & 4 Will. 4, c. 85, of the Company, which is subject to redemption by Parliament on payment to the Company of 200 l. sterling for 100 l.

There are also contingent liabilities in respect of interest guaranteed Indian Railway and other Companies, and of

India Office, }
 14 February 1867.]

at HOME and ABROAD, up to the latest Period of Time to which such Return can be made out; viz.,
India, 30th April 1865.

SERVICE FUNDS.			BILLS PAYABLE.			DEPOSITS and MISCELLANEOUS.			TOTAL.		
Bearing Interest.	Not bearing Interest.	TOTAL.	Bearing Interest.	Not bearing Interest.	TOTAL.	Bearing Interest.	Not bearing Interest.	TOTAL.	Bearing Interest.	Not bearing Interest.	TOTAL.
£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
2,811,170	171,482	2,982,652	-	1,177,335	1,177,335	29,481	4,434,808	4,464,289	68,626,235	5,927,857	74,554,092
-	-	-	-	66,527	66,527	99,090	1,659,663	1,758,753	108,120	1,726,190	1,834,310
-	-	-	-	-	-	20,000	1,675,213	1,695,213	75,208	1,675,213	1,750,421
-	-	-	-	6,428	6,428	-	544,761	544,761	-	571,739	571,739
989,937	-	989,937	-	177,036	177,036	120,613	847,944	968,557	1,632,632	1,044,232	2,676,864
1,891,645	-	1,891,645	-	28,962	28,962	288,407	1,762,738	2,051,145	2,189,102	1,791,910	3,981,012
5,692,752	171,482	5,864,234	-	1,456,288	1,456,288	557,591	10,925,127	11,482,718	72,631,297	12,737,141	85,368,438
Owing for Exports.			War Office Demands.			Bills of Exchange outstanding.			Miscellaneous.		
£.			£.			£.			£.		
160,000			294,562			742			369,388		
									29,854,709		

Dividend at the rate of 10 l. 10 s. per cent. per annum, on the sum of 6,000,000 l., the Capital Stock of the East India stock.

Repayments to them of Capital expended; but no estimate can be formed of these liabilities.

William G. Goodliffe,
Accountant-General.

EAST INDIA (REVENUES).

RETURN of all STOCKS, LOANS, DEBTS, and
LIABILITIES chargeable on the East INDIA
REVENUES, at Home and Abroad, up to the
latest Period of Time to which such Return
can be made out; viz. *England*, 31st December
1866; *India*, 30th April 1865.

(*Presented pursuant to Acts 21 Vict. c. 3; 22 Vict. c. 11;
22 & 23 Vict. c. 39; 23 & 24 Vict. c. 130; and 24
& 25 Vict. c. 25.*)

*Ordered, by The House of Commons, to be Printed,
15 February 1867.*

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EAST INDIA (TARIFF VALUATIONS).

A B S T R A C T

OF

RETURN to an Address of the Honourable The House of Commons,
dated 18 March 1867 ;—for,

COPY “ of the SUPPLEMENT to the GAZETTE OF INDIA, dated Calcutta,
19th January 1867, containing the REPORT of the COMMITTEE for the
Revision of TARIFF VALUATIONS.”

India Office, }
19 March 1867. }

FRAS. W. PRIDEAUX,
Secretary, Revenue Department.

GOVERNMENT OF INDIA.—FINANCIAL DEPARTMENT.

REPORT of the Committee appointed for the Revision of TARIFF
VALUATIONS.

From *T. B. Lane*, Esq., to the Secretary to the Government of *India*, Financial
Department (No. 46) ; dated 7th January 1867.

I HAVE the honour to submit herewith the Report of the Committee appointed
for the revision of the Customs Tariff under the orders of the Government of
India, No. 1556, dated the 29th March 1866.

The Committee assembled on the 15th of October 1866, and in accordance
with the instructions issued for their guidance by the Governor General in
Council, have directed their attention to the three points therein indicated—

- 1st. The adjustment of a set of valuations applicable to *India* generally ;
- 2nd. A new classification and consolidation of the enumerated articles ; and
- 3rd. The removal to the Free List of petty articles which neither yield, nor are
likely to yield, any appreciable revenue.

2. The Committee have prepared, and have now the honour to submit,
a Table of Valuations applicable to all ports in *India*.—(Appendices A., B.)

3. For a few articles the values now assigned differ, to some extent, from the
market rates prevailing in one or other of the three Presidencies ; but as
noticed by the former Committee in 1860 ; this difference has been traced, as
a rule, to the fact that the trade in such articles has been large at the one port,
and small at the other, the market rates of course varying accordingly. When
any article, however, has been found in considerable quantities in more than
one Presidency, with a wide difference in market rates, the Committee have
considered it best to exclude it altogether from the Table of fixed valuations,
and to place it in a separate *ad valorem* list hereto appended.—(Appen-
dices C., E.)

4. The values assigned to the important articles “ Cotton Piece Goods ” and
“ Twists ” have received the special attention of the Committee. They concur
with the Chambers of Commerce at Calcutta, Bombay, and Madras, in con-
sidering that as, at present, the markets for cotton goods are in a very unsettled
state,

state, it is an inopportune time for fixing Tariff values. Following the current rates, which are still very low, the values now assigned have been considerably reduced from the former Tariff rates, and sufficient relief will thus be afforded to meet the immediate exigencies of the case. The Committee further desire specially to recommend that these values should be subjected exceptionally to revision, as soon as the result of the American Cotton Crop for 1867 shall become known. A further and very marked change in the position of these important articles of trade will probably then occur, and the present state of the cotton market cannot therefore be taken as a guide in fixing the valuations, which will ordinarily be followed until another general revision of the Tariff.

5. The Committee also concur with the opinions specially expressed by the Chambers of Commerce at the three Presidencies, that the values hitherto fixed for copper, brass, and yellow metal, have been too high, and they have accordingly made a suitable reduction, which, by relieving this branch of trade, will probably lead to an increased consumption.

6. In regard to the 2nd point, the Tariff now proposed has been drawn up in a tabular form differing from that adopted in 1860, and affords in its alphabetical arrangement the means of ready and convenient reference; such articles as oils, seeds, metals, &c., being at the same time formed into distinct and complete groups. English names and English weights and measures have been introduced to the fullest possible extent. The entries in the column headed "Class" correspond with the general classification Table of enumerated articles, to which the attention of the Committee has also been requested by Government.

7. It has not been found necessary on this point to make any material alterations in the classification lately prepared by the Calcutta Collector of Customs, though the addition, in alphabetical order, of many articles not hitherto enumerated, has been found necessary. A copy of the List, as amended, is submitted with this Report.—(Appendix G.)

8. In regard to the 3rd, and last point which the Committee were desired to consider, viz., "the removal to the Free List of petty articles (not luxuries), which neither yield, nor are likely to yield, any appreciable revenue," a list is appended of a considerable number of petty articles which are recommended for transfer to the Free List.* The revenue from each of these has amounted in many cases to scarcely 100 rupees, and in no case to more than 1,000 rupees on the average of the last five years.—(Appendices D., F.)

* IMPORTS.

- 24 From Tariff list.
15 From *ad valorem* list, besides all other unenumerated articles.

EXPORTS.

- 29 From Tariff list.
59 From *ad valorem* list, besides all other unenumerated articles.

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9. In addition to these petty articles, iron anchors, cables, and kentledge have been removed to the Free List by the Committee, who consider that, although producing each more than 1,000 rupees per annum, these are articles so absolutely necessary for the navigation of a ship that they should be exempt from taxation. "Lead, thin sheets for tea canisters," have also been added to the Free List, as they are imported solely for use in the Indian Tea Trade.

10. The principle upon which all former Customs duties have been framed has been to declare a few staple and special articles of trade free, and then to enact that all other articles shall be dutiable. This of course renders every conceivable petty article (not specially exempt) liable to examination and duty, and is the very reverse of the principle adopted in England, where articles liable to duty are specified, and all others are declared to be free.

11. As a right step in this direction, the Committee recommend that all articles, which are neither mentioned in the Tariff, nor in the "*ad valorem* list of dutiable articles," should be free. This measure, while it would not sacrifice any large amount of revenue, would add greatly to public convenience, would remove restrictions, and give encouragement to several branches of trade, and at the same time be a relief to the Customs Departments in each Presidency.

12. Thus far the Committee have strictly confined themselves to the instructions laid down by the Government of India for their guidance. They desire further to recommend a change in regard to the duties now levied on wines.

13. By Act XXV of 1865, there has been an uniform duty of 1 rupee per Imperial gallon on the importation of wines of all sorts and descriptions. In the place of this, they would recommend a differential duty as per margin, involving an increase of 8 annas per Imperial gallon on all champagnes, sparkling wines and liqueurs, leaving port, sherry, and Madeira as before at 1 rupee, and reducing the duty one-half on all other wines. This would admit all clarets and all the light wines of France, Germany, and Hungary at the cheaper rate of duty; a class of wines which are suited to this hot climate, and would, if thus encouraged, in some measure take the place of brandy and other spirits.

14. As representatives from each of the Presidencies have met on this occasion, and have in the course of their labours, in revising the Tariff, gained much insight into the details of the import and export trade, the Committee consider it advisable before they separate, to recommend for the consideration of his Excellency the Governor General in Council, certain measures which, they believe, would greatly relieve the general trade and commerce of India.

15. The import trade, according to the revised lists, may be conveniently classified as consisting,

1st. Of all articles paying above a lakh of rupees of duty in any of the last five years, or 31 articles producing in—

	<i>Rs.</i>
1864-65 - - -	3,42,35,231
Deduct salt - - -	2,14,59,204

1,27,76,027

Vide Table 1 in Appendix (H.), 30 Articles.

2nd. Of all articles paying above 10,000 rupees of duty in any of the last five years (excepting instruments, philosophical, to be made free), or 40 articles producing in 1864-65 - - - - -

10,15,987

Vide Table 2 in Appendix (H.), 40 Articles.

And 3rd. Of all articles paying above 1,000 rupees of duty in any of the last five years, excepting those marginally noted, or 27 articles producing in 1864-65 - - -

1,13,791

Rs. 1,39,05,805

Vide Table 3 in Appendix (H.)

1. Bags, canvas.	8. Instruments, optical.
2. Boats and barges.	9. ——— surgical.
3. Chunam.	10. Lacquered ware.
4. Church furniture.	11. Printing presses and types.
5. Fans.	12. Stone ware.
6. Fishing tackles.	
7. India rubber.	

It is suggested that Government should retain these 97 articles for duty, and free every other article on the Import List, with the following result: that, upon the Import Revenue of 1864-65, amounting, exclusive of salt, to 1,40,67,500 rupees, there would be a diminution of 1,61,695 rupees, or a little more than 1 per cent.

16. In regard to exports, the Committee recommend that Government should retain the duty on—

	1864-65.
	<i>Rs.</i>
1. Indigo, 3 rupees per maund - - - - -	3,41,669
2. Grain of all sorts, 2 annas per maund - - - - -	33,67,699
3. Lac, 3 per cent. <i>ad valorem</i> - - - - -	1,17,485
4. Oils, 3 per cent. <i>ad valorem</i> - - - - -	63,560
5. Seeds, 3 per cent. <i>ad valorem</i> - - - - -	5,51,975
6. Shawls, 3 per cent. <i>ad valorem</i> - - - - -	70,085
7. Cotton goods, 3 per cent. - - - - -	53,863
8. Hides, tanned, 3 per cent. - - - - -	55,077
9. Spices, 3 per cent. - - - - -	20,052
TOTAL - - - <i>Rs.</i>	46,41,465

and should free every other article of export, including saltpetre, the trade in which is almost destroyed.

Vide Act XVIII. of
1866.

	<i>Rs.</i>
The result on the year 1864-65 would be that out of a total Export Revenue of - - - - -	58,66,567
Government would retain on the above 9 articles - - - - -	46,41,465
Showing a loss of - - - - -	12,25,102
Which latter sum must be further reduced by 7,63,292 rupees already foregone by the reduction of the duty on saltpetre from 1 rupee per maund to 3 per cent. <i>ad valorem</i> - - - - -	7,63,292
Thus leaving the real loss of Export Revenue, at - - - - -	4,61,810
Add loss on Import Revenue - - - - -	1,61,695
Total loss - - - - - <i>Rs.</i>	6,23,505

17. The remission of this amount would undoubtedly be a great benefit to the public, and a real and substantial relief to trade, whilst the Government, having virtually freed the Export List of all articles the trade in which should be entirely unrestricted, and having removed a great number of petty articles from the Import List, might fairly recoup the loss, and add to the Revenues of the State, by imposing an additional Export Duty on grain of all sorts, every anna per maund of which would yield, say, 16,00,000 rupees.

18. In making this suggestion the Committee have borne in mind the special position of the grain trade, in which, whilst there have been absolutely no importations, there have been large exportations from India at a considerable profit, during the very time when the population were starving for want of it; and further, that, on reaching some of the countries which are more or less dependent on the supplies of Bengal grain, this very grain is subjected to an import or Octroi Duty; for instance, in Bourbon and Mauritius, of 6 *d.* per bag; in Ceylon, to 1 *s.* per bushel of 62-63 lbs.

A. F. Bellasis,

Officiating Commissioner of Customs at Bombay,
and President of the Tariff Committee.

J. Hunter Blair,

Collector of Sea Customs, Madras, and
Member of Tariff Committee.

J. A. Crawford.

F. Shiller.

T. Bruce Lane.

P.S.—A separate Minute by Mr. Crawford is annexed to the Report.

As there are two points on which I am not thoroughly in accord with my colleagues, although I have signed the Report to save any further delay, I think it but due to myself to request that it may be distinctly understood that I do not agree in the following proposals:—

1. In the rates of duty as regards wine.
2. In the extra duty recommended to be put on grain.

As regards the rates of duty recommended for different classes of wines, I am of opinion that the light wines, which are in the proposal put at the lower duty, can afford to pay the present rates just as well as the lower orders of sherry and port: and further, that with the duty reduced as proposed, I do not believe there would be any accompanying reduction in price to the consumer, unless he were to import the wines direct for his own use. The
reduction

reduction in price since the duty has been lowered from 2 rupees to 1 rupee the gallon, has been, as far as I can find, nil; and I doubt whether in the case of a light wine at, say, 18 rupees a dozen, the reduction of duty from 2 rupees to 1 rupee on the dozen would enable the public to get it at 17 rupees per dozen. The real result would be that the importer would pocket the 1 rupee, and charge the same price as before to the consumer.

I consider wine in exactly the same light as tobacco, a fairly taxable article, both of them being essentially luxuries in the proper sense of the word.

With regard to the extra duty on grain, my objection is based, first, on the ground that all export duties are indefensible, except under the direct necessity of the State. They are contrary to the principles of political economy, and holding this view, I cannot recommend that a certain amount of wrong having been already done to the trade of the country by existing export duties, a further wrong should be perpetrated by adding to the export duty on grain. If the Governments of other places are ill-advised enough to put heavy import duties on certain articles, I do not see that we are bound to retaliate by also putting a heavy addition to the export duty here.

The remissions which the Committee has recommended, will, I have no doubt (if acceded to), be accepted as a small instalment of the relief which the mercantile and trading bodies have so long looked for. As affording any real sensible relief to the trade of this country, I believe the suggestions of the Committee fall very far short of what is required. In my opinion, the trade of this country will never be what it ought to be, till the export trade is wholly and entirely free.

It may be that the revenue cannot be spared. To this I would say in the words of the first Financial Member of the Viceregal Council, that there never was a Customs duty taken off the revenue of which was not replaced from some other and sometimes an unexpected source. In this saying I thoroughly believe. But granting that the revenue must be made good, and that too at once, I would suggest an addition to the salt tax, and my impression is that the whole of the abandoned revenue could be made good from this source. The incidence of the duty as it already stands is extremely light; and the addition requisite to ensure the recouping of the export duties would be infinitesimal in its incidence per head on the consumers. The salt revenue of all India is, if I mistake not, over five crores of rupees. During my tenure of the collectorship of Customs, it amounted in one year to two crores and 45 lakhs for Calcutta alone, and ranges pretty steadily from 1 crore and 80 lakhs to 2 crores. A very slight addition to this tax, an addition imperceptible in its results on consumers, would not only replace the loss from the abolition of the export duties throughout all India, but provide also a surplus fund to meet deficiencies in other sources of revenue.

7 January 1867.

J. A. Crawford,
Member of the Tariff Committee.

APPENDIX (A).

IMPORT TARIFF.

No.	ARTICLES.	CLASS.	PER	TARIFF VALUE.	
				Rs.	a. p.
1	Acid, Sulphuric - - - - -	Drugs and medicines - - -	Lb. -	-	3 -
2	Alkali, country (Sajeekhar) - - -	- ditto - - - - -	Cwt. -	2	- -
3	Almonds, without shell - - - - -	Fruits and vegetables - - -	" -	25	- -
4	" with shell - - - - -	- ditto - - - - -	" -	10	- -
5	Aloes, black - - - - -	Drugs and medicines - - -	" -	10	- -
6	" Socotra - - - - -	- ditto - - - - -	" -	25	- -
7	Aloe wood - - - - -	Spices - - - - -	Lb. -	3	- -
8	Alum - - - - -	Drugs and medicines - - -	Cwt. -	3	8 -
	Anchuehuck - - - - -	See Seeds. - - - - -			
	Aniseed, Europe - - - - -	See Seeds. - - - - -			
9	" Star - - - - -	Spices - - - - -	Cwt. -	40	- -
10	Arsenic - - - - -	Drugs and medicines - - -	" -	25	- -
11	" China Munseel - - - - -	- ditto - - - - -	" -	8	- -
12	Assafœtida (Hing) - - - - -	- ditto - - - - -	" -	55	- -
13	" coarse (Hingra) - - - - -	- ditto - - - - -	" -	10	- -
	Assalia - - - - -	See Seeds. - - - - -			
14	Atary, Persian - - - - -	Perfumery - - - - -	Cwt. -	15	- -
15	Bacon, in canisters, jowls and cheeks - - -	Provisions and oilman's stores -	Lb. -	-	9 -
16	Bangles, glass, China gilt - - - - -	Glass - - - - -	100 pairs -	10	- -
17	" " " not gilt - - - - -	ditto - - - - -	" -	5	- -
18	Beads, China - - - - -	ditto - - - - -	Cwt. -	30	- -
19	" common - - - - -	ditto - - - - -	" -	28	- -
20	" ruby, of all sizes - - - - -	ditto - - - - -	Lb. -	-	12 -
21	" seed - - - - -	ditto - - - - -	" -	-	10 -
22	" small, scarlet and red - - - - -	ditto - - - - -	" -	-	10 -
23	" coral, false (Moorzan) - - - - -	ditto - - - - -	Corge of 2,000 beads. -	-	8 -
	Bedellium, common gum - - - - -	See Gums. - - - - -			
24	Beef - - - - -	Provisions and oilman's stores -	Tierce of 3 cwt. -	60	- -
25	Beef - - - - -	- ditto - - - - -	Barrel of 2 cwt. -	40	- -
	Benjamin - - - - -	See Gums. - - - - -			
26	Betelnut, white, Sheverdhun - - - - -	Spices - - - - -	Cwt. -	18	- -
27	" all other kinds - - - - -	ditto - - - - -	" -	7	- -
28	" in husk - - - - -	ditto - - - - -	Thousand -	2	- -
29	Blacking, quarts - - - - -	Miscellaneous - - - - -	Dozen -	5	- -
30	" small - - - - -	- ditto - - - - -	" -	2	8 -
31	" in tins - - - - -	- ditto - - - - -	Lb. -	-	8 -
32	Border, hides, prepared - - - - -	Hides and skins - - - - -	Each -	30	- -
	Brass - - - - -	See Metals. - - - - -			
33	Brimstone, flour, not medicinal - - - - -	Drugs and medicines - - -	Cwt. -	7	- -
34	" roll, refined - - - - -	- ditto - - - - -	" -	6	- -
35	" rough - - - - -	- ditto - - - - -	" -	4	8 -
	Brocades - - - - -	See Piece Goods. - - - - -			
36	Buffalo hides, country tanned - - - - -	Hides and skins - - - - -	Score -	80	- -
	Bysabole, coarse myrrh - - - - -	See Gums. - - - - -			
37	Cables, coir, tarred - - - - -	Naval stores - - - - -	Cwt. -	10	- -
38	Cajoo kernels - - - - -	Fruits and vegetables - - -	" -	10	- -
	" seed - - - - -	See Seeds. - - - - -			
39	Calf skins - - - - -	Hides and skins - - - - -	Dozen -	40	- -
40	Camphor, Bhimsing (Barras) - - - - -	Drugs and medicines - - -	Lb. -	50	- -
41	" refined cake - - - - -	- ditto - - - - -	Cwt. -	65	- -
42	" crude in powder - - - - -	- ditto - - - - -	" -	50	- -
43	Candles, Wax - - - - -	Miscellaneous - - - - -	Lb. -	1	- -
44	" Paraphine - - - - -	- ditto - - - - -	" -	-	8 -
45	" Spermaceti - - - - -	- ditto - - - - -	" -	-	8 -
46	" Composition and other sorts - - - - -	- ditto - - - - -	" -	-	6 -
47	Canes, Malacca - - - - -	Canes - - - - -	Dozen -	1	- -
48	Canvas, country, cotton - - - - -	Canvas - - - - -	Cwt. -	50	- -
49	" Europe, sail not exceeding 40 yards - - -	ditto - - - - -	Bolt -	15	- -
	Cardamom Oil - - - - -	See Oils. - - - - -			

APPENDIX (A).—IMPORT TARIFF—continued.

No.	ARTICLES.	CLASS.	PER	TARIFF VALUE.
				<i>Rs. a. p.</i>
50	Cask, butts, pipes, and puncheons made up or in shooks.	Casks - - - - -	Each -	6 - -
51	" " hogsheads, ditto - - - -	ditto - - - - -	" -	4 - -
52	" " Water, of all sizes - - - -	ditto - - - - -	" -	4 - -
53	" staves, pipe, butt, and puncheon, ditto -	ditto - - - - -	Hundred -	6 - -
54	" " barrel and hogshead ditto - -	ditto - - - - -	" -	4 - -
55	Cassia Buds, Nagkessur, China - - - -	Spices - - - - -	Lb. -	- 8 -
56	" Lignea - - - - -	Drugs and medicines - - - -	Cwt. -	38 - -
	" Oil - - - - -	See Oils.		
	Castor, cold drawn, Oil - - - - -	See Oils.		
	" Seed - - - - -	See Seeds.		
57	Catechu, Cutch, or Cauth - - - - -	Miscellaneous - - - - -	Cwt. -	9 - -
58	Chamois Skins - - - - -	Hides and skins - - - - -	Dozen -	6 - -
59	Chanks (large shells) for cameos - - - -	Shells - - - - -	Hundred -	10 - -
60	" white, live - - - - -	ditto - - - - -	" -	6 - -
61	" " dead - - - - -	ditto - - - - -	" -	3 - -
62	Cheese - - - - -	Provisions and oilman's stores -	Lb. -	- 10 -
63	Chillies, dried - - - - -	Spices - - - - -	Cwt. -	8 - -
64	Chocolate - - - - -	Provisions and oilman's stores -	Lb. -	- 8 -
	Cinnamon Oil - - - - -	See Oils.		
65	Cloves - - - - -	Spices - - - - -	Cwt. -	12 - -
66	" in seeds, Nurlavung - - - - -	ditto - - - - -	" -	8 - -
67	Cochineal - - - - -	Dyeing and colouring materials -	Lb. -	1 12 -
68	Cocoa, prepared - - - - -	Provisions and oilman's stores -	" -	- 8 -
69	Cocoanuts - - - - -	Fruits and vegetables - - - -	Thousand -	30 - -
70	Cocanut Kernel (Copra) - - - - -	ditto - - - - -	Cwt. -	9 8 -
	" Oil - - - - -	See Oils.		
71	" Shells (rough, Hookha bottoms) - -	Miscellaneous - - - - -	Thousand -	12 - -
	Cocum Oil - - - - -	See Oils.		
72	Coffee, Persian Gulf and Red Sea - - - -	Coffee - - - - -	Cwt. -	30 - -
73	" other places - - - - -	ditto - - - - -	" -	20 - -
74	Coir rope, Maldiva, Laccadive - - - - -	Coir - - - - -	" -	10 - -
75	" yarn, of all kinds - - - - -	ditto - - - - -	" -	9 - -
	Copal Gum - - - - -	See Gums.		
	Copper, of all sorts - - - - -	See Metals.		
76	Copperas, Green - - - - -	Drugs and medicines - - - -	Cwt. -	2 8 -
77	Cordage, Hemp, Europe - - - - -	Hemp - - - - -	" -	18 - -
78	" Manilla - - - - -	ditto - - - - -	" -	20 - -
79	Corks - - - - -	Miscellaneous - - - - -	Gross -	1 8 -
80	Cotton Rope - - - - -	Cotton - - - - -	Cwt. -	25 - -
81	" Sewing Thread, white and coloured -	ditto - - - - -	Lb. -	- 12 -
82	" Sewing Thread, in reels or on cards, not exceeding 100 yards.*	ditto - - - - -	Gross reels	2 8 -
83	" Sewing Thread, Goa and country - -	- - - - -	Cwt. -	30 - -
84	Cow hides, country tanned - - - - -	Hides and skins - - - - -	Score -	60 - -
85	Cowdas, Mozambique and Zanzibar - - - -	Shells - - - - -	Hundred -	3 - -
86	" from other places - - - - -	ditto - - - - -	" -	- 8 -
87	Cowries, Bazar, common - - - - -	ditto - - - - -	Cwt. -	4 - -
88	" Maldiva - - - - -	ditto - - - - -	" -	16 - -
89	" Sunkley - - - - -	ditto - - - - -	" -	40 - -
90	" Yellow, superior quality - - - - -	ditto - - - - -	" -	8 - -
	Cummin - - - - -	See Seeds.		
	" Black - - - - -	See Seeds.		
91	Cuppas, Mat Bags - - - - -	Miscellaneous - - - - -	Hundred -	10 - -
92	Currants, Europe - - - - -	Fruits and vegetables - - - -	Cwt. -	35 - -
93	" Persian - - - - -	ditto - - - - -	" -	12 - -
94	Dammer - - - - -	Pitch, tar - - - - -	Cwt. -	5 - -
95	Dates, dry, in bags - - - - -	Fruits and vegetables - - - -	" -	4 - -
96	" wet, in bags - - - - -	ditto - - - - -	" -	3 - -
97	" wet, in pots - - - - -	ditto - - - - -	" -	6 - -
98	Deal or Pine Planks and Boards, superficial square foot, and one inch thickness.	Wood - - - - -	1,000 feet -	55 - -
	Domestics and Drills - - - - -	See Piece Goods.		
	Earth Oil - - - - -	See Oils.		
	Elephants' Tusks, &c. - - - - -	See Ivory.		
	Esubgool Seed - - - - -	See Seeds.		

* Exceeding this length, to be charged in proportion.

APPENDIX (A).—IMPORT TARIFF—continued.

No.	ARTICLES.	CLASS.	PER	TARIFF VALUE.
				<i>Rs. a. p.</i>
99	Felt, sheathing, 40 × 32 inches	Miscellaneous	Piece	— 4 —
100	„ in rolls or in lengths	ditto	Yard	— 4 —
101	Figs, Europe	Fruits and vegetables	Cwt.	42 — —
102	„ Persian, dried	ditto	„	6 — —
103	Fireworks, China	Miscellaneous	Box of 133½ lbs.	30 — —
104	Fish maws	Provisions and oilman's stores	Cwt.	50 — —
105	„ Sozille and Singally, small	ditto	„	6 — —
106	Flour	ditto	In barrels or sacks of 200 lbs.	25 — —
	Frankincense or Olibanum	See Gums.		
107	Gallnuts, country, Myrabolam	Dyeing and colouring materials	Cwt.	3 — —
108	„ Persian	ditto	„	35 — —
109	Gamboge wood	ditto	„	20 — —
110	Garlic	Fruits and vegetables	„	4 — —
111	Ghee	Provisions and oilman's stores	„	36 — —
112	Glass, broken	Glass	„	5 — —
113	„ China, of all colours	ditto	133½ lbs.	40 — —
114	„ Crown, coloured	ditto	Supl. 100 ft.	40 — —
115	„ Crown, of sizes	ditto	„	6 — —
116	„ Phials, common, China, gilt and plain	ditto	Thousand	5 — —
117	„ Plate, not silvered	ditto	Foot	— 10 —
118	Gold leaf, Europe	Miscellaneous	100 leaves	4 — —
	Grass oil	See Oils.		
119	Grease and tallow	Miscellaneous	Cwt.	20 — —
120	Gum Ammoniac	Gums	„	10 — —
121	„ Arabic	ditto	„	16 — —
122	„ B'dellium, common gum	ditto	„	5 — —
123	„ Benjamin	ditto	„	33 — —
124	„ Bysabole, coarse myrrh	ditto	„	12 — —
125	„ Copal	ditto	„	65 — —
126	„ Frankincense or Olibanum	ditto	„	9 — —
127	„ Gambier (or Kino)	ditto	„	8 — —
128	„ Myrrh	ditto	„	24 — —
129	„ Persian, false	ditto	„	3 — —
130	„ Rosin	ditto	„	8 — —
131	Gunpowder, common	Arms and ammunition	Lb.	— 5 —
132	„ sporting	ditto	„	1 — —
133	Hams	Provisions and oilman's stores	„	— 8 —
134	Horns, buffaloe	Horns	Cwt.	11 — —
135	„ stag or deer	ditto	„	12 — —
	Iron, of all sorts	See Metals.		
136	Ivory, elephants' grinders	Ivory	Cwt.	16 — —
137	„ Tusks, above 20 lbs.	ditto	„	300 — —
138	„ Tusks, 10 lbs. and not exceeding 20 lbs.	ditto	„	225 — —
139	„ Tusks, under 10 lbs.	ditto	„	125 — —
140	„ Sea cow or moye teeth, 3 lbs. and upwards	ditto	„	225 — —
141	„ Sea cow or moye teeth, under 3 lbs.	ditto	„	75 — —
	Jeans	See Piece Goods.		
	Jingellee or teel	See Seeds.		
142	Lac, stick	Lac	Cwt.	16 — —
143	„ shell	ditto	„	28 — —
	Lametta	See Metals.		
	Lead, of all sorts	ditto.		
	Linseed	See Seeds.		
	„ oil	See Oils.		
	Longcloths and jeans	See Piece Goods.		
144	Mace	Spices	Lb.	— 9 —
145	„ false	ditto	Cwt.	10 — —
	Madapollams	See Piece Goods.		
146	Madder or munjeet	Dyeing and colouring materials	„	10 — —
147	Mahogany, in logs, per superficial square foot of one inch thickness.	Wood	„	— 6 —
148	„ Australian	ditto	Ton	60 — —

APPENDIX (A.)—IMPORT TARIFF—continued.

No.	ARTICLES.	CLASS.	PER	TARIFF VALUE.
				Rs. a. p.
149	Mats, floor matting, China, of all sorts - -	Miscellaneous - - -	100 -	50 - -
	Metals :			
150	Brass beads, Googree, China - - -	Metals - - -	Thousand	- 12 -
151	" Old - - -	ditto - - -	Cwt. -	35 - -
152	" Sheets, rolls very thin - - -	ditto - - -	" -	80 - -
153	Copper, Australian - - -	ditto - - -	" -	48 - -
154	" Bolt - - -	ditto - - -	" -	50 - -
155	" Brazier's - - -	ditto - - -	" -	50 - -
156	" China cash - - -	ditto - - -	" -	30 - -
157	" Japan - - -	ditto - - -	" -	48 - -
158	" Nails and composition nails - -	ditto - - -	" -	45 - -
159	" Old - - -	ditto - - -	" -	40 - -
160	" Pigs and slabs, foreign - - -	ditto - - -	" -	45 - -
161	" Sheet, sheathing, and plate - -	ditto - - -	" -	50 - -
162	" Tiles, ingots, cakes, and bricks -	ditto - - -	" -	47 - -
163	" China white copper ware - - -	ditto - - -	Lb. -	1 4 -
164	" Foil Dauk-pana China - - -	ditto - - -	Book of 100 leaves.	3 - -
165	" " " " Europe - - -	ditto - - -	" -	4 - -
166	Iron, flat, square, and bolt, including Scotch	ditto - - -	Ton -	85 - -
167	" Hoop, plate, and sheet - - -	ditto - - -	" -	115 - -
168	" Nails - - -	ditto - - -	Cwt. -	10 - -
169	" Nail rod - - -	ditto - - -	Ton -	95 - -
170	" Old - - -	ditto - - -	Cwt. -	2 8 -
171	" Pig - - -	ditto - - -	Ton -	40 - -
172	" Rice bowls - - -	ditto - - -	Set of 10	3 4 -
173	" Ditto - - -	ditto - - -	Set of 6	1 10 -
174	" Rivets - - -	ditto - - -	Cwt. -	11 - -
175	" Rod, round, British, under half inch diameter.	ditto - - -	Ton -	110 - -
176	" Swedish, flat and square - - -	ditto - - -	" -	140 - -
177	Lametta, Double reels - - -	ditto - - -	Score -	4 8 -
178	" Single reels - - -	ditto - - -	" -	2 4 -
179	Lead, Pig - - -	ditto - - -	Cwt. -	10 - -
180	" Pipes - - -	ditto - - -	" -	13 8 -
181	" Pipes, tinned - - -	ditto - - -	" -	16 - -
182	" Sheets - - -	ditto - - -	" -	12 - -
183	Ore Gallena - - -	ditto - - -	" -	13 - -
184	Mock gold leaf - - -	ditto - - -	20 books	5 - -
185	Orsidue or brass leaves, foreign, Europe -	ditto - - -	Lb. -	1 4 -
186	" China - - -	ditto - - -	" -	- 12 -
187	Patent or yellow metals, sheathing and sheets.	ditto - - -	Cwt. -	42 - -
188	" " " " Old - - -	ditto - - -	" -	32 - -
189	Quicksilver - - -	ditto - - -	Lb. -	1 - -
190	Shot, bird - - -	ditto - - -	Cwt. -	15 - -
191	Spelter Nails - - -	ditto - - -	" -	17 8 -
192	" Plate and other shapes - - -	ditto - - -	" -	11 - -
193	" Sheet or zinc sheathing - - -	ditto - - -	" -	15 - -
194	Steel, Blistered - - -	ditto - - -	" -	9 - -
195	" British - - -	ditto - - -	" -	9 - -
196	" Cast - - -	ditto - - -	" -	25 - -
197	" Spring - - -	ditto - - -	" -	10 - -
198	" Swedish - - -	ditto - - -	" -	10 - -
199	Tin, Block - - -	ditto - - -	" -	45 - -
200	" Plates, large size, box not exceeding 170 lbs. and 100 plates, and <i>pro rata</i>	ditto - - -	" -	24 - -
201	" Small size, not exceeding one cwt. and 225 plates, and <i>pro rata</i> .	ditto - - -	" -	14 - -
202	Wire, Brass - - -	ditto - - -	Lb. -	- 8 -
203	" Common iron, Nos. 1 to 40 - - -	ditto - - -	Cwt. -	9 8 -
204	" Copper - - -	ditto - - -	Lb. -	- 10 -
205	Methee seed - - -	See Seeds.		
	Mother-o'-pearl shells - - -	Shells - - -	Cwt. -	8 - -
	Mule twist - - -	See Twist.		
	Mustard seed - - -	See Seeds.		
	Myrrh - - -	See Gums.		
	Naptha oil - - -	See Oils.		
206	Nutmegs - - -	Spices - - -	Lb. -	- 10 -
207	" in shell - - -	ditto - - -	" -	- 6 -
208	" wild - - -	ditto - - -	Cwt. -	12 - -

APPENDIX (A).—IMPORT TARIFF—continued.

No.	ARTICLES.	CLASS.	PER	TARIFF VALUE.
				Rs. a. p.
209	Ochre, of all colours - - - - -	Paints, colours, and painters' materials.	- Cwt. -	3 - -
	Oils :			
210	Cardamom - - - - -	Oils - - - - -	- Lb. -	10 - -
211	Cassia - - - - -	ditto - - - - -	- " -	4 - -
212	Castor, cold drawn - - - - -	ditto - - - - -	- Dozen pints -	4 8 -
213	Cinnamon, Ceylon - - - - -	ditto - - - - -	- Lb. -	10 - -
214	Cocanut - - - - -	ditto - - - - -	- Cwt. -	20 - -
215	Cocum - - - - -	ditto - - - - -	- " -	15 - -
216	Earth - - - - -	ditto - - - - -	- " -	10 - -
217	Grass - - - - -	ditto - - - - -	- Lb. -	2 - -
218	Jingeelee or Teel - - - - -	ditto - - - - -	- Cwt. -	20 - -
219	Kerosene - - - - -	ditto - - - - -	- Imperial gall. -	1 12 -
220	Linseed, country - - - - -	ditto - - - - -	- Cwt. -	18 - -
221	" Europe - - - - -	ditto - - - - -	- Imperial gall. -	2 4 -
222	Naptha - - - - -	ditto - - - - -	- Cwt. -	30 - -
223	Otto, of sorts - - - - -	ditto - - - - -	- Ounce -	20 - -
224	Sandal wood - - - - -	ditto - - - - -	- Lb. -	8 - -
225	Sorrel - - - - -	ditto - - - - -	- Cwt. -	20 - -
226	Turpentine - - - - -	ditto - - - - -	- Imperial gall. -	2 - -
227	Whale and fish - - - - -	ditto - - - - -	- Cwt. -	15 - -
228	Wood - - - - -	ditto - - - - -	- " -	15 - -
229	Orchilla weed - - - - -	Dyeing and colouring materials	- " -	8 - -
	Orsidue - - - - -	See Metals.		
	Otto, of sorts - - - - -	See Oils.		
230	Paints, of sorts - - - - -	Paints, colours, and painters' materials.	- Cwt. -	12 - -
231	Paper, China, flowered and partially gilt -	Paper - - - - -	- 1,000 sheets -	12 - -
232	" gilt Bellisia - - - - -	ditto - - - - -	- " -	2 - -
233	" " half - - - - -	ditto - - - - -	- " -	1 - -
234	" Lappa - - - - -	ditto - - - - -	- " -	10 - -
235	" wholly and entirely gilt, flowered, and plain. -	ditto - - - - -	- " -	22 - -
236	Patent metal - - - - -	See Metals.		
237	Pearls, false Bajeria - - - - -	Glass - - - - -	- Lakh -	5 - -
238	" Boria - - - - -	ditto - - - - -	- Thousand -	1 - -
239	" Jouria - - - - -	ditto - - - - -	- Lakh -	8 - -
240	" Nathia - - - - -	ditto - - - - -	- Thousand -	- 6 -
241	" Tachea - - - - -	- - - - -	- " -	- 12 -
242	" Wattanah - - - - -	- - - - -	- Lakh -	10 - -
242	Pepper, black and long - - - - -	Spices - - - - -	- Cwt. -	15 - -
273	" white - - - - -	ditto - - - - -	- " -	25 - -
	Piece goods, cotton, British and Europe, grey :			
244	Shirtings, Madapollams, and printers - -	Piece goods - - - - -	- Lb. -	- 13 -
245	Long cloths, jeans, domestics, sheetings, drills, and T. cloth. -	- ditto - - - - -	- " -	- 11 -
246	Pistachio nuts - - - - -	Fruits and vegetables - - - - -	- Cwt. -	14 - -
247	Pitch, American and Europe - - - - -	Pitch - - - - -	- Barrel, not exceeding 3 cwt. -	13 - -
248	" Coal - - - - -	ditto - - - - -	- " -	4 8 -
249	Pork - - - - -	Provisions and oilman's stores - - - - -	- Tierce of 3 cwt. -	50 - -
250	" - - - - -	ditto - - - - -	- Barrel of 2 cwt. -	34 - -
251	Prunes, Bussorah - - - - -	Fruits and vegetables - - - - -	- Cwt. -	12 - -
252	Prussian blue, China - - - - -	Paints, colours, and painters' materials. -	- Lb. -	- 8 -
253	" Europe - - - - -	- ditto - - - - -	- " -	1 8 -
	Quicksilver - - - - -	See Metals.		
	Quince seed or Badana - - - - -	See Seeds.		
251	Quinine - - - - -	Drugs and medicines - - - - -	- Lb. -	50 - -
255	Raisins, black, Persian Gulf, Red Sea, and Khismis. -	Fruits and vegetables - - - - -	- Cwt. -	12 - -
256	" Monocka, Persian Gulf, and Red Sea -	- ditto - - - - -	- " -	7 - -
257	Rattans - - - - -	Canes - - - - -	- " -	7 - -
	Rape or Sursee - - - - -	See Seeds		

APPENDIX (A).—IMPORT TARIFF—continued.

No.	ARTICLES.	CLASS.	PER	TARIFF VALUE.
				<i>Rs. a. p.</i>
258	Red Lead - - - - -	Paints, colours, and painters' materials.	- Cwt. -	14 - -
259	Rhinoceros' leather - - - - -	Hides and Skins - - - - -	- " -	40 - -
260	Rose flowers, dried - - - - -	Perfumery - - - - -	- " -	10 - -
261	Rose water - - - - -	- ditto - - - - -	Imperial gall.	1 12 -
	Rosin - - - - -	See Gums.		
262	Saffron, Europe - - - - -	Dyeing and colouring materials	- Lb. -	16 - -
263	" Meadow, Soorunjun - - - - -	- ditto - - - - -	- Cwt. -	10 - -
264	" Persian - - - - -	- ditto - - - - -	- Lb. -	12 - -
265	" in cakes or lumps - - - - -	- ditto - - - - -	- " -	5 - -
266	Sago - - - - -	Provisions and oilman's stores	- Cwt. -	7 - -
267	Salamoniac - - - - -	Drugs and medicines - - - - -	- " -	22 - -
268	Salep - - - - -	- ditto - - - - -	- " -	60 - -
269	Sandal wood - - - - -	Wood - - - - -	- " -	22 - -
270	" Australian and bastard Oil - - - - -	- ditto - - - - -	- " -	4 - -
	" Oil - - - - -	See Oils.		
271	Sapan wood and root - - - - -	Dyeing and colouring materials	- " -	3 8 -
	Sawjeerah seed - - - - -	See Seeds.		
	Seeds:			
272	Anchuchuck - - - - -	Seeds - - - - -	- " -	10 - -
273	Anise, Europe - - - - -	- ditto - - - - -	- " -	28 - -
274	Assalia - - - - -	- ditto - - - - -	- " -	7 - -
275	Cajoo - - - - -	- ditto - - - - -	- " -	3 - -
276	Castor - - - - -	- ditto - - - - -	- " -	4 8 -
277	Cummin - - - - -	- ditto - - - - -	- " -	12 - -
278	" Black - - - - -	- ditto - - - - -	- " -	5 - -
279	Esubgeol - - - - -	- ditto - - - - -	- " -	5 - -
280	Linseed - - - - -	- ditto - - - - -	- " -	5 - -
281	Methee - - - - -	- ditto - - - - -	- " -	5 - -
282	Mustard - - - - -	- ditto - - - - -	- " -	4 8 -
283	Quince seed or Badana - - - - -	- ditto - - - - -	- " -	50 - -
284	Rape or Sursee - - - - -	- ditto - - - - -	- " -	4 8 -
285	Sawjeerah - - - - -	- ditto - - - - -	- " -	25 - -
286	Tookmeria - - - - -	- ditto - - - - -	- " -	7 - -
287	Senna leaves - - - - -	Drugs and medicines - - - - -	- " -	6 - -
288	Shark fins - - - - -	Provisions and oilman's stores	- " -	20 - -
	Sheetings - - - - -	See Piece goods.		
	Shirtings - - - - -	See Piece goods.		
	Shot, of all sorts - - - - -	See Metals.		
289	Silk, floss - - - - -	Silks - - - - -	- Lb. -	8 - -
290	" Raw, Charon and Cochin China - - - - -	- ditto - - - - -	- " -	4 - -
291	" " Mathow - - - - -	- ditto - - - - -	- " -	1 12 -
292	" " other kinds of China - - - - -	- ditto - - - - -	- " -	7 - -
293	" " Persian - - - - -	- ditto - - - - -	- " -	5 - -
294	" " Punjum and Cutchra - - - - -	- ditto - - - - -	- " -	1 12 -
295	" " Siam - - - - -	- ditto - - - - -	- " -	4 - -
296	" Sewing thread, China - - - - -	- ditto - - - - -	- " -	8 - -
297	Silver ware, plain - - - - -	Miscellaneous - - - - -	- Tolah -	1 6 -
	Sorrel oil - - - - -	See Oils.		
	Spelter - - - - -	See Metals.		
	Steel - - - - -	See Metals.		
298	Sugar candy, China - - - - -	Sugar - - - - -	- Cwt. -	20 - -
299	" loaf - - - - -	- ditto - - - - -	- " -	23 - -
300	" soft - - - - -	- ditto - - - - -	- " -	12 - -
	T. cloth - - - - -	See Piece goods.		
	Tallow and grease - - - - -	See Grease.		
301	Tar, American - - - - -	Pitch - - - - -	- Barrel of 3 cwt. -	13 - -
302	" Coal - - - - -	- ditto - - - - -	- " -	6 8 -
303	" Swedish and Archangel - - - - -	- ditto - - - - -	- " -	14 - -
304	Tea - - - - -	Miscellaneous - - - - -	- Lb. -	1 - -
	Tin - - - - -	See Metals.		
305	Tongues, salted - - - - -	Provisions and oilman's stores	- Keg of 6 -	10 - -
	Tookmeria - - - - -	See Seeds.		
306	Tortoise shell - - - - -	Shells - - - - -	- Lb. -	6 - -
307	" Nuck - - - - -	- ditto - - - - -	- " -	1 - -
308	Turpentine - - - - -	Paints, colours, and painters' materials.	Imperial gall.	2 - -
	" Oil of - - - - -	See Oils.		

APPENDIX (A.)—IMPORT TARIFF—continued.

No.	ARTICLES.	CLASS.	PER	TARIFF VALUE.
				<i>Rs. a. p.</i>
309	Twine, Europe, sail - - - - -	Hemp - - - - -	Lb. -	- 8 -
	Twist :			
310	Mule, under No. 15 - - - - -	Twist - - - - -	" -	- 7 -
311	" Nos. 16 to 24 - - - - -	ditto - - - - -	" -	- 11 -
312	" Nos. 25 to 32 - - - - -	ditto - - - - -	" -	- 12 -
313	" Nos. 33 to 42 - - - - -	ditto - - - - -	" -	- 13 -
314	" Nos. 43 to 52 - - - - -	ditto - - - - -	" -	- 14 -
315	" Nos. 53 to 60 - - - - -	ditto - - - - -	" -	1 1 -
316	" No. 70 - - - - -	ditto - - - - -	" -	1 2 -
317	" No. 80 - - - - -	ditto - - - - -	" -	1 3 -
318	" No. 90 - - - - -	ditto - - - - -	" -	1 4 -
319	" No. 100 - - - - -	ditto - - - - -	" -	1 5 -
320	" Nos. 110 to 150 - - - - -	ditto - - - - -	" -	1 10 -
321	" Nos. 160 to 200 - - - - -	ditto - - - - -	" -	1 14 -
322	Water, No. 20 - - - - -	ditto - - - - -	" -	- 12 -
323	" No. 30 - - - - -	ditto - - - - -	" -	- 13 -
324	" No. 40 - - - - -	ditto - - - - -	" -	- 15 -
325	" No. 50 - - - - -	ditto - - - - -	" -	1 1 -
326	" above No. 50 - - - - -	ditto - - - - -	" -	1 4 -
327	Turkey red twist, all kinds* - - - - -	ditto - - - - -	" -	1 6 -
328	Twist, orange, red, and other colours* - - - - -	ditto - - - - -	" -	1 2 -
329	Umbrellas, cotton, steel ribs - - - - -	Umbrellas - - - - -	Each -	- 13 -
330	" " cane ribs - - - - -	ditto - - - - -	" -	- 11 -
331	" China paper kettisals - - - - -	ditto - - - - -	Box of 110	5 - -
332	Vermillion, Canton - - - - -	Paints, colours, and painters' materials. - - - - -	Box of 90 bundles.	85 - -
333	" Macao - - - - -	ditto - - - - -	" -	30 - -
334	Vinegar, in bottles or in wood, Europe - - - - -	Provisions and oilman's stores - - - - -	Imperial gall.	1 8 -
335	" " Persian - - - - -	ditto - - - - -	" -	- 12 -
336	" " Country - - - - -	ditto - - - - -	" -	- 6 -
337	Walnuts, Akroot - - - - -	Fruits and vegetables - - - - -	Cwt. -	5 - -
	Wire, of all sorts - - - - -	See Metals.		
	Water twist - - - - -	See Twist.		
	Whale and fish oil - - - - -	See Oils.		
338	White lead - - - - -	Paints, colours, and painters' materials. - - - - -	" -	12 - -
	Wood oil - - - - -	See Oils.		
	Yellow metals - - - - -	See Metals.		

APPENDIX (B.)

EXPORT TARIFF.

No.	ARTICLES.	CLASS.	PER	TARIFF VALUE.
				<i>Rs. a. p.</i>
1	Aloe wood - - - - -	Spices - - - - -	Lb. -	3 - -
2	Betelnut, in husk - - - - -	ditto - - - - -	Thousand -	2 - -
3	Blankets, country - - - - -	Woollens - - - - -	Score -	12 - -
4	" Patna - - - - -	ditto - - - - -	" -	18 - -
5	Borax - - - - -	Miscellaneous - - - - -	Cwt. -	16 - -
6	" Tincal - - - - -	ditto - - - - -	" -	14 - -
	Brass and composition ware - - - - -	See Metals.		
	Buffalo hides - - - - -	See Hides and Skins.		
	" horns - - - - -	See Horns.		

* Duty to be charged on the grey weight of the coloured yarn ; when not ascertainable, the actual wharf weight or invoice weight to be taken.

APPENDIX (B.)—EXPORT TARIFF—*continued.*

No.	ARTICLES.	CLASS.	PER	TARIFF VALUE.
				<i>Rs. a. p.</i>
7	Caoutchouc, Indiarubber - - - -	Miscellaneous - - - -	Cwt. -	20 - -
8	Cardamoms - - - -	Spices - - - -	" -	200 - -
9	" large bastard - - - -	ditto - - - -	" -	40 - -
	Castor oil - - - -	See Oils.		
	" seed - - - -	See Seeds.		
10	Catechu, cutch, or cauth - - - -	Miscellaneous - - - -	" -	9 - -
11	Chillies, dried - - - -	Spices - - - -	" -	8 - -
	Cocanut oil - - - -	See Oils.		
12	Coir cables, tarred and untarred - - - -	Coir - - - -	" -	10 - -
13	" rope and coir yarn - - - -	ditto - - - -	" -	9 - -
14	" loose, or fibre - - - -	ditto - - - -	" -	5 - -
	Copper ware - - - -	See Metals.		
	Coriander seed - - - -	See Oil Seeds.		
	Cornelians :			
15	Dole necklace, plain, of all kinds - - - -	Miscellaneous - - - -	Corge of 2,000 beads.	7 - -
16	" cut - - - -	ditto - - - -	" -	20 - -
17	" Gool and Nimgool - - - -	ditto - - - -	Hundred -	6 - -
18	" Nagina - - - -	ditto - - - -	Thousand -	7 - -
19	" Tusby, cut - - - -	ditto - - - -	Corge of 2,000 -	15 - -
20	" " plain - - - -	ditto - - - -	" -	7 - -
21	" " chassai, polished - - - -	ditto - - - -	Hundred -	5 - -
22	" " unpolished - - - -	ditto - - - -	" -	3 - -
	Cummin seed - - - -	See Oil Seeds.		
	Elephant tusks - - - -	See Ivory.		
23	Fish maws - - - -	Provisions - - - -	Cwt. -	50 - -
	Fish oil - - - -	See Oils.		
24	Ghee - - - -	Provisions - - - -	" -	36 - -
25	Ginger, dry (rough), Malabar - - - -	Spices - - - -	" -	10 - -
26	" " Bengal - - - -	ditto - - - -	" -	7 - -
27	" (scraped) - - - -	ditto - - - -	" -	15 - -
	Goat skins - - - -	See Hides and Skins.		
	Grass oil - - - -	See Oils.		
	Ground nuts - - - -	See Oil Seeds.		
	Gunny bags :			
28	Power loom, twilled - - - -	Jute, Manufactures of - - - -	Hundred -	32 - -
29	" " plain - - - -	ditto - - - -	" -	28 - -
30	" " jail - - - -	ditto - - - -	" -	30 - -
31	Cheekun - - - -	ditto - - - -	" -	22 - -
32	Other kinds of Native manufacture, not exceeding in length 29 inches, and in breadth 29 inches.	ditto - - - -	" -	12 - -
33	Ditto, exceeding those dimensions - - - -	ditto - - - -	" -	16 - -
	Gunny cloth :			
34	Power loom, twilled, not exceeding 30 inches wide.	ditto - - - -	Yard -	- 1 9
35	Power loom, plain - - - -	ditto - - - -	" -	- 1 6
36	Cheekun - - - -	ditto - - - -	" -	- 1 3
37	American, of 30 yards - - - -	ditto - - - -	Piece -	3 8 -
	Hides :			
38	Buffalo, country, tanned - - - -	Hides and Skins - - - -	Score -	70 - -
39	Cow, tanned - - - -	ditto - - - -	" -	50 - -
40	Goat and sheep skins, tanned - - - -	ditto - - - -	" -	10 - -
41	Lamb skins, tanned - - - -	ditto - - - -	" -	5 - -
	Horns :			
42	Buffalo - - - -	Horns - - - -	Cwt. -	11 - -
43	Cow - - - -	ditto - - - -	" -	8 - -
44	Deer and stag - - - -	ditto - - - -	" -	12 - -
45	Tips - - - -	ditto - - - -	" -	10 - -
	Ivory :			
46	Elephants' tusks, above 20 lbs. - - - -	Ivory - - - -	" -	300 - -
47	" " " 10 lbs. and not exceeding 20 lbs.	ditto - - - -	" -	225 - -
48	" " under 10 lbs. - - - -	ditto - - - -	" -	125 - -
	Jingeely, or teel oil - - - -	See Oils.		
	" " seed - - - -	See Seeds.		
49	Jute rope - - - -	Jute, Manufactures of - - - -	" -	10 - -

APPENDIX (B.)—EXPORT TARIFF—continued.

No.	ARTICLES.	CLASS.	PER	TARIFF VALUE.
	Lac :			Rs. a. p.
50	Button - - - - -	Lac - - - - -	Cwt.	28 - -
51	Dye - - - - -	ditto - - - - -	"	45 - -
52	Seed - - - - -	ditto - - - - -	"	20 - -
53	Shell - - - - -	ditto - - - - -	"	28 - -
54	Stick - - - - -	ditto - - - - -	"	16 - -
	Lamb skins - - - - -	See Hides and Skins.		
55	Lard, Hogs' - - - - -	Provisions - - - - -	"	25 - -
	Linseed - - - - -	See Oil Seeds.		
	" oil - - - - -	See Oils.		
	Methee - - - - -	See Oil Seeds.		
	Mhowa oil - - - - -	See Oils.		
	Mustard seed - - - - -	See Oil Seeds.		
	" oil - - - - -	See Oils.		
56	Myrabolams (country gallnuts) - - - - -	Dyeing and colouring materials - - - - -	"	3 - -
	Oils :			
57	Castor - - - - -	Oils - - - - -	"	16 - -
58	Cocconut - - - - -	ditto - - - - -	"	20 - -
59	Fish - - - - -	ditto - - - - -	"	15 - -
60	Grass - - - - -	ditto - - - - -	Lb.	2 - -
61	Jingeely or teel - - - - -	ditto - - - - -	Cwt.	20 - -
62	Linseed - - - - -	ditto - - - - -	"	18 - -
63	Mhowa - - - - -	ditto - - - - -	"	12 - -
64	Mustard - - - - -	ditto - - - - -	"	16 - -
65	Poppy - - - - -	ditto - - - - -	"	20 - -
66	Rape or sursee - - - - -	ditto - - - - -	"	16 - -
67	Sandalwood - - - - -	ditto - - - - -	Lb.	8 - -
	Oil Seeds :			
68	Castor seed (erundee) - - - - -	Seeds - - - - -	Cwt.	4 8 -
69	Coriander seed - - - - -	ditto - - - - -	"	4 - -
70	Cummin seed - - - - -	ditto - - - - -	"	12 - -
71	" Black (caleejeera) - - - - -	ditto - - - - -	"	5 - -
72	Ground nuts, with shell - - - - -	ditto - - - - -	"	5 - -
73	" without shell - - - - -	ditto - - - - -	"	6 - -
74	Jingeely or teel seed - - - - -	ditto - - - - -	"	6 - -
75	Linseed - - - - -	ditto - - - - -	"	5 - -
76	Methce seed - - - - -	ditto - - - - -	"	5 - -
77	Mustard seed - - - - -	ditto - - - - -	"	4 8 -
78	Poppy seed - - - - -	ditto - - - - -	"	5 8 -
79	Rape or sursee seed - - - - -	ditto - - - - -	"	4 8 -
80	Orris root, patchuck koot, or ooplate - - - - -	Drugs and medicines - - - - -	"	14 - -
81	Pepper - - - - -	Spices - - - - -	"	15 - -
	Piece Goods, Silk : *			
82	Bandanah choppahs, per piece of 7 handkerchiefs. - - - - -	Silk Piece Goods - - - - -	Score	115 - -
83	Korahs, 14 by 2 - - - - -	ditto - - - - -	"	115 - -
84	" 13 by 1-14 - - - - -	ditto - - - - -	"	80 - -
85	" 12 by 1-12 - - - - -	ditto - - - - -	"	55 - -
86	" 10 by 1-6 - - - - -	ditto - - - - -	"	35 - -
87	Tusser - - - - -	ditto - - - - -	"	80 - -
88	Moomee choppahs, 14 by 2, per piece of 7 handkerchiefs. - - - - -	ditto - - - - -	"	115 - -
89	Moomee, 13 by 1-14 - - - - -	ditto - - - - -	"	80 - -
90	" 12 by 1-12 - - - - -	ditto - - - - -	"	55 - -
91	" 10 by 1-6 - - - - -	ditto - - - - -	"	35 - -
	Piece Goods, Cotton :			
92	Baftahs - - - - -	Cotton Piece Goods - - - - -	"	30 - -
93	Gurrah - - - - -	ditto - - - - -	"	20 - -
94	Kharwah - - - - -	ditto - - - - -	"	25 - -
95	Mamoodie - - - - -	ditto - - - - -	"	32 - -
96	Mirzapore chintz - - - - -	ditto - - - - -	"	15 - -
97	Patna - - - - -	ditto - - - - -	"	30 - -
98	Shans - - - - -	ditto - - - - -	"	40 - -
99	Tunjeeb, Oude - - - - -	ditto - - - - -	"	26 - -
	Poppy oil - - - - -	See Oils.		
	" seed - - - - -	See Oil Seeds.		

* Silk piece goods of these sorts exceeding the specified sizes, to be assessed proportionately.

APPENDIX (B.)—EXPORT TARIFF—continued.

No.	ARTICLES.	CLASS.	PER	TARIFF VALUE.
				Rs. a. p.
	Rape or sursee oil - - - - -	See Oils.		
	" " Seed - - - - -	See Oil Seeds.		
100	Red wood - - - - -	Dyeing and colouring materials	Cwt. -	1 4 -
101	Safflower, Bengal - - - - -	Dyeing and colouring materials	- " -	42 - -
102	" Ghatty and Guzerattee - - - - -	ditto - - - - -	- " -	20 - -
103	Sandalwood - - - - -	Woods - - - - -	- " -	22 - -
104	" shavings, Malabar - - - - -	ditto - - - - -	- " -	7 - -
	" oil - - - - -	See Oils.		
105	Sapan Wood - - - - -	Dyeing and colouring materials	- " -	3 - -
106	Soap - - - - -	Miscellaneous - - - - -	- " -	8 - -
107	Tamarind - - - - -	Fruits and vegetables - - - - -	- " -	4 - -
108	Turmeric - - - - -	Spices - - - - -	- " -	7 - -
109	Twine, hemp - - - - -	Hemp - - - - -	- " -	20 - -
110	" jute - - - - -	Jute - - - - -	- " -	9 - -
111	Twist, cotton, country, No. 10 - - - - -	Twist - - - - -	Lb. -	7 - -
112	" " " No. 20 - - - - -	ditto - - - - -	- " -	9 - -
113	" " " No. 30 - - - - -	ditto - - - - -	- " -	10 - -
114	" Hand spun - - - - -	ditto - - - - -	- " -	5 - -

APPENDIX (C.)

IMPORTS.—AD VALOREM LIST OF DUTIABLE ARTICLES.

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. Apothecary's and medical stores. 2. Apparel. 3. Arms and ammunition. 4. Bats and balls. 5. Beads, of sorts. 6. Billiard tables. 7. Biscuits. 8. Brocades. 9. Brushes. 10. Cabinet-ware. 11. Cardamoms. 12. " bastard. 13. Cards, playing, and dice. 14. Carpets and carpeting. 15. Carriages. 16. China-ware. 17. Chemicals. 18. Cigars and cheroots. 19. Clocks and watches. 20. Coachbuilders' materials. 21. Coir, manufactures of. 22. Confectionery. 23. Cotton goods. 24. Coova, red. 25. Coral. 26. Crockery-ware. 27. Drugs and medicines, of sorts. 28. Dyes, of sorts. 29. Earthen and porcelain-ware. 30. Fans. 31. Fireworks, other sorts. 32. Fishing tackle. 33. Flax, manufactures of. 34. Flints. 35. Fruits and nuts, of sorts. | <ol style="list-style-type: none"> 36. Galingal, China and other places. 37. Garlic. 38. Glass-ware. 39. Grass-cloth. 40. Gowla. 41. Groceries. 42. Gums, of sorts. 43. Guns and fowling pieces. 44. Gunnies and gunny bags. 45. Hemp, manufactures of. 46. Hides and skins, of sorts. 47. Honey. 48. Horns, manufactures of. 49. India rubber, manufactures of. 50. Instruments, engineering. 51. " mathematical. 52. " musical. 53. " optical. 54. " philosophical. 55. " surgical. 56. Ivory, manufactures of. 57. Jaggery, molasses, sugarcane, and other sorts. 58. Japan-ware. 59. Jewellery and plate of all kinds. 60. Jute, manufactures of. 61. Lac, of sorts. 62. Lacquered-ware. 63. Lamp, Black. 64. Lard. 65. Leather. 66. " manufactures of. 67. Lucifer and other sorts of matches. |
|---|---|

APPENDIX (C).—IMPORTS—*Ad Valorem* List of Dutiable Articles—*continued*.

- | | |
|---|--|
| 68. Macaroni.
69. Mangoes, dried.
70. Marble slabs.
71. Metals, manufactures of.
72. Musk, of sorts.
73. Naval stores.
74. Nuckla.
75. Oils, of sorts.
76. Oilman's stores.
77. Oilcloth.
78. Paints, colours, and painters' materials.
79. Papiermâché-ware.
80. Perfumery of all sorts.
81. Petroleum.
82. Photographic apparatus and materials.
83. Picture frames, gilt borders, and beadings.
84. Preserves, China, and other sorts.
85. Provisions.
86. Prunes, Europe.
87. Quercitron bark.
88. Railway materials and stores.
89. Raisins, of sorts.
90. Rattans and canes, of sorts.
91. Saddlery.
92. Saltpetre.
93. Salt.
94. Seeds, of sorts.
95. Shawls. | 96. Shark fins.
97. Shemby bark.
98. Silk, of sorts.
99. Silk piece goods, of sorts.
100. Snuff.
101. Soap, of sorts.
102. Spices, of sorts.
103. Sponges.
104. Stationery.
105. Stone-ware.
106. Stone, marble, and slate, manufactured.
107. Suet.
108. Telegraphic stores.
109. Tiles and bricks, ornamental.
110. Tobacco, manufactured.
111. " unmanufactured.
112. " pipes, and articles used in consumption of tobacco.
113. Toys.
114. Trunks and boxes.
115. Turmeric.
116. Umbrellas, of sorts.
117. Verdigris.
118. Vermicelli.
119. Wax, bees'.
120. Wood and timber.
121. " manufactures of.
122. Wooden-ware.
123. Woollen, of sorts. |
|---|--|

APPENDIX (D).

FREE LIST—IMPORTS.—ARTICLES FREE by ACT XXV. of 1865.

- | | |
|--|---|
| 1. Agricultural implements.
2. Books.
3. Bottles.
4. Bullion and coin.
5. Coal, coke, bricks, chalk, and stones.
6. Cotton wool.
7. Firewood.
8. Flax.
9. Grain and pulse.
10. Guano and manures of all kinds.
11. Hemp.
12. Hides and skins, raw.
13. Horses and other living animals.
14. Ice.
15. Jute.
16. Machinery used exclusively for purposes of agriculture, navigation, mining, or manufacture, or for railway purposes, and ma- | terials forming necessary component parts of such machinery.
And the officer in charge of the Custom House, subject to the orders of the Local Government, acting under the general instructions of the Government of India, shall decide what articles come within the definition of such machinery, or materials forming component parts thereof, and such decision shall be final in law.
17. Maps, prints, music, and works of art.
18. Military and other regulation uniforms and accoutrements when imported for private use by persons in the public service.
19. Paper.
20. Precious stones and pearls.
21. Seeds when imported by any public society for gratuitous distribution.
22. Wool. |
|--|---|

Petty Articles in former Tariff recommended by the Committee for Free List.

- | | |
|---|--|
| 1. Anchors.
2. Biche de Mer.
3. Bidmiskh.
4. Brooms.
5. Butter.
6. Buzabutoo nuts.
7. Cables.
8. Catgut.
9. Cocoanut shells, broken, used in making gas.
10. Cocum.
11. Ebony.
12. Glue. | 13. Goglets.
14. Horsehair.
15. Kentledge.
16. Lemon juice.
17. Lead, thin, for tea canisters, used in the exportation of Indian tea.
18. Lignum Vitæ.
19. Oakum.
20. Seltzer water.
21. Slush fat.
22. Soap stone.
23. Tuggur wood.
24. Wax. |
|---|--|

APPENDIX (D.)—FREE LIST—IMPORTS.—Articles Free by Act XXV. of 1865—*continued.*

Petty Articles paying ad valorem Duties recommended by the Committee for Free List.

- | | |
|--|----------------------|
| 1. Asphalte. | 9. Printing Presses. |
| 2. Bags, Canvas. | 10. „ Types. |
| 3. Boats and Barges, whole or in pieces. | 11. „ Materials. |
| 4. Cow tails. | 12. Soda water. |
| 5. Hay and straw. | 13. Salted fish. |
| 6. Hops. | 14. Spectacles. |
| 7. Oilcake. | 15. Talc. |
| 8. Palmyra wood. | |

All other articles not enumerated in Tariff or *ad valorem* Lists.

APPENDIX (E.)

EXPORTS.—AD VALOREM LIST OF DUTIABLE ARTICLES.

- | | |
|-------------------------------------|------------------------------------|
| 1. Apparel. | 17. Musk. |
| 2. Bangles. | 18. Naval stores. |
| 3. Bluestone. | 19. Oils, of sorts. |
| 4. Cowbezoar. | 20. Oilman's stores. |
| 5. Cabinet-ware. | 21. Piece Goods, Cotton, of sorts. |
| 6. Dregs of Jingellee oil. | 22. „ Silk, of sorts. |
| 7. Drugs and medicines, of sorts. | 23. Perfumery. |
| 8. Dyes, of sorts. | 24. Provisions and confectionery. |
| 9. Fruits and vegetables, of sorts. | 25. Seeds, of sorts. |
| 10. Feathers. | 26. Spices, of sorts. |
| 11. Hair, Manufactures of. | 27. Shawls. |
| 12. Hemp, Manufactures of. | 28. Shark fins. |
| 13. Ivory and Hornwares. | 29. Timber and wood. |
| 14. Jute, Manufactures of. | 30. Tallow. |
| 15. Lac, of sorts. | 31. Wax and wax candles. |
| 16. Metals, Manufactured. | 32. Woollen Goods, of sorts. |

APPENDIX (F.)

FREE LIST—EXPORTS.—ARTICLES FREE BY ACT XVIII. OF 1866.

- | | |
|-------------------------------------|---|
| 1. Books. | 12. Maps, prints, and works of arts. |
| 2. Bullion and coin. | 13. Precious stones and pearls. |
| 3. Coal. | 14. Raw silk and silk chussum. |
| 4. Coffee. | 15. Rum. |
| 5. Cotton wool. | 16. Spirits. |
| 6. Flax. | 17. Sugar. |
| 7. Hemp. | 18. Tea. |
| 8. Hides and skins, raw. | 19. Teak timber. |
| 9. Horses and other living animals. | 20. Tobacco and all preparations thereof. |
| 10. Iron. | 21. Wool. |
| 11. Jute. | |

Petty Articles in former Tariff recommended by the Committee for Free List.

- | | |
|--|-----------------------------|
| 1. Arrowroot, common and in canisters. | 11. Cassia. |
| 2. Bale lashings. | 12. Cinnabar or vermillion. |
| 3. Bangles, glass, broken. | 13. Cocoanuts. |
| 4. Biscuits { brown.
white cabin. | 14. Cowries. |
| 5. Bones. | 15. Cow tails, black. |
| 6. Bran. | 16. „ white. |
| 7. Brooms. | 17. Flour. |
| 8. Burroo. | 18. „ Soojee. |
| 9. Butter. | 19. Gum, Babool. |
| 10. Canvas. | 20. Hookha bottoms. |

APPENDIX (F.)—FREE LIST—EXPORTS.—Articles Free by Act XVIII. of 1866—*contd.**Petty Articles in former Tariff recommended by the Committee for Free List—continued.*

- | | |
|------------------------|---------------------|
| 21. Omlah. | 25. Talc, Bengal. |
| 22. Rags. | 26. " Ghatty. |
| 23. Red lead, Sindoor. | 27. Tallow candles. |
| 24. Suet. | 28. Tin. |
| | 29. Varnish. |

Petty Articles paying ad valorem Duties recommended by the Committee for Free List.

- | | |
|-------------------------------|-------------------------------------|
| 1. Arms and ammunition. | 32. Mats. |
| 2. Badloo and Sappoo. | 33. Molasses and jaggery, of sorts. |
| 3. Bamboos and blinds. | 34. Machinery. |
| 4. Boots and shoes. | 35. Metals, of sorts. |
| 5. Billiard tables. | 36. Malt liquor. |
| | 37. Marble slabs. |
| | 38. Military appointments. |
| 6. Carpets and Carpeting. | 39. Oil cake. |
| 7. Coonkoo or pinjur. | 40. Oil cloth. |
| 8. Coova, red. | 41. Old cloth bags. |
| 9. Cotton wool. | |
| 10. Carriages. | 42. Paints and colours, of sorts. |
| 11. Carriage furniture. | 43. Pipes, staves, and casks. |
| 12. Corks. | 44. Pictures and portraits. |
| | 45. Porcelain and earthenware. |
| 13. Earth or petroleum oil. | 46. Printing presses. |
| | 47. " types. |
| 14. Fishing rods. | 48. Reeds. |
| 15. Fans. | 49. Rattans. |
| 16. Fireworks. | |
| | 50. Saddlery. |
| 17. Glass ware. | 51. Stationery. |
| 18. Granite slabs. | 52. Snuff. |
| 19. Grinding stones. | |
| 20. Goolall powder. | 53. Toys. |
| 21. Guano. | 54. Tortoise shell. |
| | 55. Trunks and boxes. |
| 22. Instruments, engineering. | |
| 23. " mathematical. | 56. Umbrellas. |
| 24. " musical. | |
| 25. " optical. | 57. Vinegar. |
| 26. " philosophical. | 58. Varnish. |
| 27. " surgical. | |
| 28. Jewellery. | 59. Wooden ware. |
| 29. Leather. | |
| 30. Lemonade. | |
| 31. Lacquered ware. | |

All other Articles not enumerated in Tariff
or *ad valorem* Lists.

APPENDIX (G.)

CLASSIFIED LIST OF ARTICLES OF MERCHANDISE.

I M P O R T S.				E X P O R T S.			
F.	Agricultural implements - - - -	Value.					
	Animals, living, viz.:						
F.	Horses - - - - -	No. and Value.					
F.	All others - - - - -	Value.					
A. V.	Apothecary stores - - - - -	"					
	Apparel, viz.:				Apparel, viz.:		
	Hats and caps - - - - -	Value.			Hats and caps - - - - -	Value.	
	Hosiery - - - - -	"			Hosiery - - - - -	"	
A. V.	Haberdashery and millinery - - - -	"		A. V.	Haberdashery and millinery - - - -	"	
	Gold lace and thread - - - - -	"			Gold lace and thread - - - - -	"	
	Small wares - - - - -	"			Small wares - - - - -	"	
	All other articles made up for wear, except boots and shoes.	"			All other articles made up for wear, except boots and shoes.	"	
	Arms, ammunition, and military stores, viz.:						
	Gunpowder - - - - -	Lbs. and Value.		F.	Arms, ammunition, and military stores.		
	Shot and shell of iron - - - - -	Cwt. and Value.					
	" " of lead - - - - -	Value.					
	Fire-arms, large, cannons, mortars, &c.	"					
	" " small, muskets, rifles, pistols, &c. - - - - -	"					
T. and A. V.	Appurtenances and parts of ditto, ditto -	No. and Value.					
	Flints for fire-arms - - - - -	"					
	Military accoutrements and uniforms dutiable.	"					
	Percussion caps - - - - -	Value.					
	All other military stores not elsewhere described.	"					
	Art, works of, viz.:			F.	Arts, works of - - - - -	Value.	
F.	Pictures, prints, and engravings - -	Value.					
	Statuary - - - - -	"					
	All other kinds - - - - -	"					
A. V.	Bats and balls - - - - -	"		A. V.	Bangles - - - - -	Value.	
A. V.	Billiard tables - - - - -	"		A. V.	Blue stone - - - - -	"	
T.	Blacking - - - - -	"					
F.	Books, printed, and printed matter - -	"		F.	Books, printed, and printed matter	"	
	Bottles:				Borax:		
F.	Pints and quarts - - - - -	Gross and Value.		T.	Crude - - - - -	Cwt. and Value.	
	Soda-water - - - - -	"			Refined or tincal - - - - -	"	
	All other sorts - - - - -	"					
F.	Bricks and tiles - - - - -	No. and Value.					
A. V.	Brushes - - - - -	Value.					
A. V.	Cabinet ware - - - - -	"		A. V.	Cabinet ware - - - - -	Value.	
T.	Candles of all kinds - - - - -	Cwt. and Value.					
	Canes, viz.:				Canes, viz.:		
T. and A. V.	Malacca - - - - -	Value.		F.	Bamboo - - - - -	"	
	Rattans - - - - -	"			Rattans - - - - -	"	
	All other kinds - - - - -	"			Sticks of all other kinds - - - - -	"	
T.	Canvas coovet - - - - -	Bolts and Value.					
A. V.	Cards, playing, and dice - - - - -	Value.					
	Carpets and carpeting - - - - -	"					
	Carriages and conveyances other than railway:				Carriages and conveyances other than railway:		
A. V.	Complete - - - - -	Value.		F.	Complete - - - - -	Value.	
A. V.	Parts of ditto, including coach-builders' materials not otherwise described.	"			Parts of ditto, including coach-builders' materials.	"	
T.	Casks - - - - -	Each and Value.					
A. V.	Casks and barrels made up or in shooks -	Value.					
	All other varieties of coopers' ware - -	"		T.	Catechu, cutch or cauth - - - - -	Cwt. and Value.	
F.	Catechu, cutch or cauth - - - - -	Cwt. and Value.					
	Cements for building and engineering purposes.	"					
F.	Chalk and lime - - - - -	"		E.	Coffee - - - - -	Lbs. and Value.	
A. V.	China and japan wares not otherwise enumerated.	Value.					
F.	Church furniture - - - - -	"					
A. V.	Chemicals - - - - -	"					
	Clay and articles of, used for building and engineering purposes, except bricks:						
F.	Fire clay - - - - -	Cwt. and Value.					
	All others - - - - -	Value.					

APPENDIX (G.)—CLASSIFIED LIST OF ARTICLES OF MERCHANDISE—continued.

IMPORTS.				EXPORTS.			
	Clocks and Watches, viz. :						
	Clocks -	-	-				Value.
A. V.	" turret for churches -	-	-				"
F.	Chronometers, ship's and other -	-	-				"
	Parts of ditto - ditto -	-	-				"
	Watches -	-	-				No. and Value.
A. V.	Coach builders' materials -	-	-				Value.
F.	Coffee -	-	-				Cwt. and Value.
T.	Coir rope, Maldivé and Laccadive -	-	-				No. and Value.
T.	Cables -	-	-				Cwt. and Value.
T.	Yarn -	-	-				"
A. V.	Manufactures of -	-	-				"
A. V.	Coral, unwrought -	-	-				Value.
T.	Corks -	-	-				Gross and Value.
	Cotton, Manufactures of, viz. :						
	Piece Goods :						
	Grey :						
T.	Shirtings -	-	-				Lbs. and Value.
T.	Long cloths -	-	-				"
T.	T. cloths -	-	-				"
T.	Domestics -	-	-				"
T.	Printers -	-	-				"
A. V.	Cambrics -	-	-				Yds. and Value.
T.	Madapollams -	-	-				Lbs. and Value.
A. V.	Jaconets -	-	-				Yds. and Value.
A. V.	Mulls -	-	-				"
T.	Drills -	-	-				Lbs. and Value.
A. V.	Dhooties -	-	-				Prs. and Value.
A. V.	All other sorts -	-	-				Value.
T.	Jeans -	-	-				Lbs. and Value.
T.	Sheetings -	-	-				"
	White :						
	Shirtings and long cloths -	-	-				Yds. and Value.
	Striped and figured shirtings -	-	-				"
	Brocades -	-	-				"
	Twilled -	-	-				"
	Cambrics -	-	-				"
	Drills -	-	-				"
	Madapollams -	-	-				"
	Jaconets -	-	-				"
	Mulls -	-	-				"
	Muslins, book -	-	-				"
	" checked and striped -	-	-				"
	Lappets -	-	-				"
	Lenoes -	-	-				"
	Lawns, Victoria, Scotch and other -	-	-				"
	Dhooties -	-	-				Prs. and Value.
	Sarries -	-	-				"
	Scarfs and chudders -	-	-				"
	Nets and gauze -	-	-				Yds. and Value.
	Dresses and garments -	-	-				"
	Handkerchiefs -	-	-				Doz. and Value.
	Shawls -	-	-				"
	All other sorts -	-	-				Value.
	American :						
A. V.	Drills -	-	-				Yds. and Value.
	Duck -	-	-				"
	Jean -	-	-				"
	Sheeting -	-	-				"
	Flannel -	-	-				"
	Other sorts -	-	-				"
	Coloured and Printed :						
	Dyed cambrics -	-	-				"
	" shirtings -	-	-				"
	" jaconets -	-	-				"
	" mulls -	-	-				"
	" lappets -	-	-				"
	" velvets -	-	-				"
	" other sorts -	-	-				Value.
	Printed cambrics -	-	-				Yds. and Value
	" shirtings -	-	-				"
	" jaconets -	-	-				"
	" mulls -	-	-				"
	" muslins -	-	-				"
	" sarries -	-	-				Prs. and Value.
	" handkerchiefs -	-	-				Doz. and Value.
	" shawls -	-	-				"
	" other sorts -	-	-				Value.
	Ginghams -	-	-				Yds. and Value.
	Tickens -	-	-				"

APPENDIX (G.)—CLASSIFIED LIST OF ARTICLES OF MERCHANDISE—continued.

IMPORTS.				EXPORTS.			
Cotton, Manufactures of--continued.							
Piece Goods--continued.							
A. V.	Turkey Red :						
	Cambrics	-	-	Yds. and Value.			
	Shirtings	-	-	"			
	Twills and spots	-	-	"			
	Brocades	-	-	"			
	Jaconets	-	-	"			
	Printed	-	-	"			
	Mulls, striped	-	-	"			
	" printed	-	-	"			
	Lappets	-	-	"			
	Prints and chintz	-	-	"			
	Sarries	-	-	Prs. and Value.			
	Scarfs	-	-	"			
	Handkerchiefs	-	-	Doz. and Value.			
	Velvets	-	-	Yds. and Value.			
T.	" printed	-	-	"			
	All other sorts	-	-	Value.			
	Thread in balls	-	-	Lbs. and Value.			
	" spools	-	-	"			
	" other forms	-	-	"			
	Cotton rope	-	-	Value.			
	Twist :						
	Plain	-	-	Lbs. and Value.			
	Mule No. under 15	-	-	"			
	" 16 to 24	-	-	"			
	" 25 to 32	-	-	"			
	" 33 to 42	-	-	"			
	" 43 to 52	-	-	"			
	" 53 to 60	-	-	"			
	" 70 -	-	-	"			
T.	" 80 -	-	-	"			
	" 90 -	-	-	"			
	" 100 -	-	-	"			
	" 110 to 150	-	-	"			
	" 160 to 200	-	-	"			
	Water	-	-	"			
	No. 20	-	-	"			
	" 30	-	-	"			
	" 40	-	-	"			
	" 50	-	-	"			
	Above 50	-	-	"			
	T.	Coloured :					
		Turkey red, all kinds	-	-	Lbs. and Value.		
		Imperial red	-	-	"		
		Orange and yellow	-	-	"		
Green		-	-	"			
All other kinds		-	-	"			
Cotton wool		-	-				
Crockery ware		-	-				
Cuppas mat bags		-	-				
Drugs and Medicines, viz. :							
Aloes		-	-	Cwt. and Value.			
Alkali		-	-	"			
Alum		-	-	"			
Arsenic		-	-	Cwt. and Value.			
Assafoetida, Hing and Hingra		-	-	Lbs. and Value.			
Brimstone, flower	-	-	Cwt. and Value.				
" roll, refine	-	-	"				
" rough	-	-	"				
Camphor, crude	-	-	"				
" refined cake	-	-	"				
" Malayan or Bhimsing	-	-	Lbs. and Value.				
T. or A. V.	Cassia Lignea	-	-	Value.			
	Copperas	-	-	Cwt. and Value.			
	Coova, red	-	-	Value.			
	Galangal	-	-	Cwt. and Value.			
	Quinine	-	-	Oz. and Value.			
	Salamoniac	-	-	Cwt. and Value.			
	Salep	-	-	"			
	Senna leaf	-	-	"			
	Sulphuric acid	-	-	Lbs. and Value.			
	Waters, medicated and aerated	-	-	Gals. and Value.			
	All other kinds not elsewhere described	-	-	Value.			
	Dyeing and Colouring Materials, viz. :						
	Cochineal	-	-	Cwt. and Value.			
	Galls	-	-	"			
	Gamboge wood	-	-	"			

APPENDIX (G.)—CLASSIFIED LIST OF ARTICLES OF MERCHANDISE—*continued.*

I M P O R T S.				E X P O R T S.			
T. or A. V.	Dyeing and Colouring Materials, viz.— <i>continued.</i>			T. and A. V.	Dyeing and Colouring Materials, viz.— <i>continued.</i>		
	Munjeet or madder - - - -	Cwt. and Value.			Safflower - - - -	Cwt. and Value.	
	Archilla - - - -	"			Sapan wood - - - -	"	
	Quercitron bark - - - -	Oz. and Value.			All other sorts unenumerated	Value.	
	Roseine and other colouring substances from coal tar.						
	Red or sanders wood - - - -	Cwt. and Value.					
	Saffron - - - -	"					
	Sapan wood - - - -	"					
	All other sorts unenumerated - - - -	Value.					
	Earthen and porcelain ware - - - -	Value.					
T. T. A. V. A. V. A. V. F.	Felt sheathing - - - -	No. and Value.		A. V.	Feathers, of sorts - - - -	Value.	
	" in rolls or length - - - -	Yds. and Value.					
	Fans - - - -	Value.					
	Fireworks, other sorts - - - -	"					
	Fishing tackle - - - -	"					
	Flax - - - -	Cwt. and Value.					
	Flax, Manufactures of, viz.:				F. Flax - - - -	Cwt. and Value.	
	Piece Goods:						
	Linen - - - -	Yds. and Value.					
	" ducks and drills - - - -	"					
A. V.	" cambrics - - - -	"		T. A. V.	Fruits and Vegetables, viz.:		
	" handkerchiefs - - - -	Doz. and Value.			Tamarind - - - -	Cwt. and Value.	
	Holland - - - -	Yds. and Value.			All other kinds unenumerated	"	
	Huckaback - - - -	"					
	Other varieties of piece goods - - - -	"					
	Thread - - - -	Lbs. and Value.					
	All other sorts - - - -	Value.					
	Fruits and Vegetables, viz.:						
	Almonds - - - -	Cwt. and Value.					
	Currants - - - -	"					
T. and A. V.	Dates, wet - - - -	"		F.	Fuel, viz.:		
	" dry - - - -	"			Coal - - - -	Cwt. and Value.	
	Figs - - - -	"					
	Pistachio and other nuts - - - -	"					
	Prunes and plums - - - -	"					
	Raisins - - - -	"					
	All other kinds unenumerated and not included under oilman's stores.	"					
	Cajoo - - - -	"					
	Cocoonuts - - - -	No. and Value.					
	" kernel (Copra) - - - -	Cwt. and Value.					
F.	" nut shells - - - -	No. and Value.		F.			
	Fuel, viz.:						
	Coal - - - -	Cwt. and Value.					
	Coke - - - -	"					
	Firewood - - - -	Value.					
	Gas making materials - - - -	"					
	Glass, and Manufactures of:						
	Glass:						
	Broken - - - -	Cwt. and Value.					
	Crown, coloured - - - -	Sl. ft. and Value.					
T. and A. V.	" of sizes - - - -	Ft. and Value.		T. and A. V.			
	Plate, not silvered - - - -	"					
	Silvered, including mirrors framed - - - -	Value.					
	Coloured - - - -	Sl. ft. and Value.					
	All other kinds in sheets - - - -	"					
	China - - - -	Lbs. and Value.					
	Phials - - - -	No. and Value.					
	Bangles - - - -	Prs. and Value.					
	Beads:						
	Common, white and coloured - - - -	Cwt. and Value.					
T.	Seed - - - -	"		Special Duties.	Grain and Pulse, viz.:		
	Ruby - - - -	"			Bazree - - - -	Cwt. and Value.	
	Scarlet and red - - - -	"			Paddy - - - -	"	
	False pearls - - - -	Value.			Rice - - - -	"	
	Other sorts - - - -	"			Rice - - - -	"	
	Ware - - - -	"			Wheat - - - -	"	
	Glue - - - -	Cwt. and Value.			Barley - - - -	"	
	Gowla - - - -	Value.			Dholl and peas - - - -	"	
	Grass cloth - - - -	"			Gram - - - -	"	
					Jowaree - - - -	"	
A. V. F. A. V. A. V.	Grain and Pulse, viz.:			F.			
	Bazree - - - -	Cwt. and Value.					
	Paddy - - - -	"					
	Rice - - - -	"					
	Wheat - - - -	"					
	Barley - - - -	"					
	Dholl and peas - - - -	"					
	Gram - - - -	"					
	Jowaree - - - -	"					

APPENDIX (G).—CLASSIFIED LIST OF ARTICLES OF MERCHANDISE—*continued.*

I M P O R T S.

E X P O R T S.

I M P O R T S.				E X P O R T S.			
F.	{	Grain and Pulse, viz.— <i>continued.</i>		Special Duties.	{	Grain and Pulse, viz.— <i>continued.</i>	
		Moog - - - - -	Cwt. and Value.			Moog - - - - -	Cwt. and Value.
		Mutt - - - - -	"			Mutt - - - - -	"
		Oats - - - - -	"			Oats - - - - -	"
		Urreed - - - - -	"			Urreed - - - - -	"
T.		All other varieties - - - - -	"			All other varieties of grain and pulse.	"
F.		Grease and tallow - - - - -	"				
		Guano and manures of all kinds - - - - -	"				
T. and A. V.	{	Gums, viz.:		F.	{	Gums, viz.:	
		Arabic - - - - -	Cwt. and Value.			Babool - - - - -	Cwt. and Value.
		Benzoin - - - - -	"			All other sorts - - - - -	"
		Copal - - - - -	"				
		Olibanum - - - - -	"				
A. V.		Rosin - - - - -	"				
		All other sorts - - - - -	Value.				
		Gunnies and gunny bags - - - - -	"				
F.		Horse hair - - - - -	Cwt. and Value.	F.		Hair:	
A. V.		" manufactures of - - - - -	Value.	A. V.		Hair, manufactures of - - - - -	Value.
F.		Hemp - - - - -	Cwt. and Value.	F.		Hemp - - - - -	Cwt. and Value.
T. and A. V.	{	Hemp, Manufactures of, viz.:		T. and A. V.	{	Hemp, Manufactures of, viz.:	
		Cordage, Europe - - - - -	No. and Value.			Twine - - - - -	Cwt. and Value.
		" Manilla - - - - -	"			Other sorts - - - - -	Value.
		Twine - - - - -	"				
		Other sorts - - - - -	Value.				
T. and A. V.	{	Hides and Skins:		T. and F.	{	Hides and skins, tanned - - - - -	Pcs. and Value.
		Hides:				Buffalo - - - - -	"
		All other sorts - - - - -	No. and Value.			Cow - - - - -	"
		Rhinoceros - - - - -	"			Goat and sheep - - - - -	"
		Border - - - - -	"			Lamb - - - - -	"
		Buffalo, country, tanned - - - - -	"			Raw, of sorts - - - - -	"
		Cow - ditto - ditto - - - - -	"				
		Calf skins - - - - -	"				
		Chamois - - - - -	"				
T. and A. V.		Skins:					
		All other sorts - - - - -	"				
T. and A. V.	{	Horns:		T. and A. V.	{	Horns:	
		Manufactures of - - - - -	Cwt. and Value.			Buffalo - - - - -	Cwt. and Value.
		Buffalo - - - - -	"			Cow - - - - -	"
		Stag - - - - -	"			Deer and stag - - - - -	"
		Manufactures of - - - - -	Value.			Tips - - - - -	"
F.		Ice - - - - -	Cwt. and Value.			Other sorts - - - - -	Value.
A. V.		India rubber - - - - -	Value.			Ware - - - - -	"
		" manufactures of - - - - -	"				
A. V.		Instruments and apparatus, musical, scientific and philosophical, of all sorts, not otherwise described.	"	T.		India Rubber:	
						Crude or caoutchouc - - - - -	Cwt. and Value.
T. and A. V.	{	Ivory:		T. and A. V.	{	Iron - - - - -	"
		Elephants' grinders - - - - -	Cwt. and Value.			Ivory:	
		" tusks - - - - -	"			Elephants' tusks - - - - -	Cwt. and Value.
		Sea Cow teeth - - - - -	"			" teeth - - - - -	"
		Manufactures of - - - - -	Value.			Other sorts - - - - -	"
A. V.		Japan ware - - - - -	"			Ivory ware - - - - -	Value.
A. V.	{	Jewellery, including Plate, viz.:		F.	{	Jewellery, including Plate, viz.:	
		Plate of gold - - - - -	Value.			Plate - - - - -	Value.
		" of silver - - - - -	"			Jewellery of gold or of silver, or of precious stones, set in gold or silver.	"
		Jewellery of gold or silver - - - - -	"			All other kinds - - - - -	"
		Precious stones set in jewellery - - - - -	"			Jute - - - - -	Cwt. and Value.
F.		Jute - - - - -	Cwt. and Value.			Jute, Manufactures of:	
A. V.		" manufactures of - - - - -	Value.			Gunny bags - - - - -	No. and Value.
T. and A. V.	{	Lac:		T. and A. V.	{	" cloth - - - - -	"
		Shell - - - - -	Cwt. and Value.			Rope - - - - -	Cwt. and Value.
		Stick - - - - -	"			Twine - - - - -	"
		Lacquered ware - - - - -	Value.			Goods, of sorts - - - - -	Value.
		Leather - - - - -	"			Lac:	
		" manufactures of - - - - -	"			Button - - - - -	Cwt. and Value.
		Boots and shoes - - - - -	"			Dye - - - - -	"
		Harness and saddlery - - - - -	"			Seed - - - - -	"
		All other sorts unenumerated - - - - -	"			Shell - - - - -	"
						Stick - - - - -	"
						Other sorts - - - - -	Value.
						Leather, manufactures of - - - - -	"

APPENDIX (G.)—CLASSIFIED LIST OF ARTICLES OF MERCHANDISE—*continued.*

I M P O R T S.				E X P O R T S.			
Special Duty.	Liquors:						
	Ale, beer, and porter	- - - -	Gals. and Value				
	Cider, and other similar fermented liquors.	- - - -	"				
	Wines and Liqueurs, viz.:						
	Champagne	- - - -	Gals. and Value.				
	Claret	- - - -	"				
	Hock	- - - -	"				
	Marsala	- - - -	"				
	Moselle	- - - -	"				
	Port	- - - -	"				
	Sherry	- - - -	"				
	All other foreign wines	- - - -	"				
	Curacoa	- - - -	"				
	Maraschino	- - - -	"				
	Noyeau	- - - -	"				
	All other foreign liqueurs	- - - -	"				
	Ginger wine or cordial	- - - -	"				
	Orange wine or cordial	- - - -	"				
	All other kinds of British made wines, cordials, and liqueurs.	- - - -	"				
	Spirits:						
A. V.	Brandy	- - - -	Gals. and Value.				
	Gin, old tom, and hollands	- - - -	"				
	Whiskey	- - - -	"				
	All other kinds	- - - -	"				
F.	Lucifers and Matches	- - - -	Value.				
	Machines and Machinery, and parts of them, for purposes of—						
	Agriculture	- - - -	Value.				
	Manufacture	- - - -	"				
	Mining	- - - -	"				
A. V.	Navigation	- - - -	"				
	Railway	- - - -	"				
F. T. A. V.	Machines and Machinery, not exempted from Duty.	- - - -	"				
	Maps and Charts	- - - -	No. and Value.	F.	Maps and charts	- - -	Value.
	Maps, China	- - - -	"				
T. and A. V.	Medical Stores	- - - -	Value.				
	Metals:						
	Iron:						
	Cast:						
	Pig	- - - -	Cwt. and Value.				
	All other shapes	- - - -	"				
	Wrought, but not Manufactured:						
	Bar, bolt, rod, nail rod, including Scotch, and imitation Swedish.	- - - -	"				
	Half-round, oval, angle, T., and other shapes.	- - - -	"				
	Hoop	- - - -	"				
	Sheet and plate	- - - -	"				
	Swedish	- - - -	"				
	Galvanized, of all sorts, wire excepted.	- - - -	"				
	All other sorts	- - - -	"				
	Manufactured:						
	F.	{ Anchors, wholly or partly of iron	"				
		{ Cables	"				
		{ Chains, including rigging ditto	"				
		{ Nails, screws, rivets, nuts, and bolts	"				
		{ Tubes and pipes	"				
	T. and A. V.	{ Wire, not galvanised, and not for telegraphic purposes.	"				
		{ Hard-ware, viz.:					
		1. Rice bowls	- - - -	No. and Value.			
		2. All other kinds	- - - -	"			
	F.	Kentledge:					
		Old, for re-manufacture	- - - -	Cwt. and Value.			
	Steel:						
	In Ingots and Bars:						
		Swedish	- - - -	Cwt. and Value.			
		Cast	- - - -	"			
		Other sorts	- - - -	"			
	Manufactured:						
		Cutlery, including all industrial edge tools and implements, except agricultural.	- - - -	Value.			
	Copper:						
	Cast:						
		Tiles, ingots, cakes, and other shapes	- - - -	Cwt. and Value.			
	Wrought, but not Manufactured:						
		Sheet, sheathing, plate, and braziers	- - - -	"			
		Rod, bolt, and bar	- - - -	"			

APPENDIX (G.)—CLASSIFIED LIST OF ARTICLES OF MERCHANDISE—continued.

I M P O R T S.				E X P O R T S.			
T. and A. V.	Oils—continued.			T. and A. V.	Oils—continued.		
	Essential, viz.:				Vegetable, but not Essential—continued.		
	Cassia and cinnamon	- - -	Lbs. and Value.		Mustard	- - -	Cwt. and Value.
	Camphor	- - -	"		Poppy	- - -	"
	Grass	- - -	Gals. and Value.		Rape or Sursee	- - -	"
	Kyaputti	- - -	Lbs. and Value.		Other kinds	- - -	Value.
	Sandalwood	- - -	Oz. and Value.		Essential, viz.:		
	Utter of rose	- - -	Value.		Grass	- - -	Lbs. and Value.
	Utter, other sorts	- - -	"		Sandalwood	- - -	Oz. and Value.
	Other kinds	- - -	"		Utter, other sorts	- - -	Value.
	Mineral, viz.:				Other kinds	- - -	"
	Earth	- - -	Cwt. and Value.		Mineral, viz.:		
	Kerosine	- - -	Gals. and Value.		Earth or Petroleum	- - -	Gals. and Value.
	Benzole	- - -	"		Oilman's stores		
	Naphtha	- - -	Cwt. and Value.				Value.
A. V.	Petroleum	- - -	"	A. V.			
	Oil cloth	- - -	Value.				
T. Free	Paper:						
	Coloured, stained, or gilt	- - -	Value.				
	Sheathing, brown, or other for packing	- - -	"				
	Writing and printing	- - -	"				
	Other sorts	- - -	"				
T. and A. V.	Paints, Colours, and Painters' Materials, viz.:						
	T. { Prussian blue, China	- - -	Cwt. and Value.				
	T. { " " European	- - -	"				
	T. { Vermillion, Canton	- - -	Boxes & Value.				
	T. { " Macao	- - -	"				
	Verdigris	- - -	Cwt. and Value.				
	Ultramarine	- - -	"				
	T. Ochre	- - -	"				
	T. Red lead	- - -	"				
	T. White lead	- - -	"				
	Dry colours of all other sorts	- - -	"				
	T. Paints, of sorts	- - -	"				
	Varnish, of sorts	- - -	Gals. and Value.				
	Spirits, methylated, or mixed with any substance so as to be fit for manufacturing or chemical purposes only.	- - -	"				
	Linseed oil, boiled	- - -	"				
T. Turpentine	- - -	"					
	Painters' materials of all other descriptions, not enumerated.	- - -	Value.				
A. V.	Papier mâché ware	- - -	"	A. V.	Perfumery	- - -	
						Value.	
T. and A. V.	Perfumery:						
	Atary	- - -	Cwt. and Value.				
	Rose water	- - -	Gals. and Value.				
	Rose flowers	- - -	Value.				
	All other sorts	- - -	"				
V.	Musk	- - -	Oz. and Value.				
A. V.	Photographic materials and apparatus	- - -	Value.				
	Picture frames, gilt borders, and beading	- - -	"				
T. and A. V.	Pitch, Tar, Dammer, and Asphalt:						
	F. Asphalt	- - -	Cwt. and Value.				
	Dammer	- - -	"				
	Pitch, coal	- - -	Brls. and Value.				
	Other sorts	- - -	"				
	Tar, coal	- - -	"				
F.	" American	- - -	"				
	" Swedish and Archangel	- - -	"				
	Plants, living	- - -	Value.				
E.	Precious Stones and Pearls, Unset:			F.	Precious stones and pearls, unset		
	Pearls	- - -	Value.				Value.
	Other	- - -	"				
F.	Printing and Lithographing:						
	Types, machines, and other apparatus for	- - -	Value.				
T. and A. V.	Provisions and Oilman's Stores:			T. and A. V.	Provisions and Oilman's Stores:		
	Bacon and hams	- - -	Cwt. and Value.		T. Fish maws	- - -	Cwt. and Value.
	Beef and pork	- - -	Brls. and Value.		T. Ghee	- - -	"
	F. Bran	- - -	Cwt. and Value.		T. Hogs lard	- - -	"
	Biscuit and bread	- - -	"		Shark fins	- - -	Value.
	F. Butter	- - -	"		All other kinds not otherwise specified.	- - -	"
	Cheese	- - -	"				
	Cocoa and chocolate	- - -	"				
	F. Fish, dried and salted	- - -	Value.				
	Fish maws and shark fins	- - -	"				

APPENDIX (G).—CLASSIFIED LIST OF ARTICLES OF MERCHANDISE—continued.

I M P O R T S.

E X P O R T S.

I M P O R T S.				E X P O R T S.			
T. and A. V.	Provisions and Oilman's Stores—continued.						
	Flour - - - - -	-	Value.				
	Ghee - - - - -	-	Cwt. and Value.				
	Honey - - - - -	-	Value.				
	Macaroni and vermicelli - - - - -	-	"				
	Oilman's stores, assorted - - - - -	-	"				
	Prunes - - - - -	-	"				
	Raisins - - - - -	-	"				
	Sago - - - - -	-	"				
	Suet - - - - -	-	"				
	Tapioca - - - - -	-	"				
	Tongues - - - - -	-	"				
	Vermicelli - - - - -	-	"				
	Vinegar - - - - -	-	Gals. and Value.				
A. V.	" country - - - - -	-	"				
	All other kinds not otherwise specified	-	Value.				
	Preserves, China, and other sorts - -	-	"				
	Railway Materials and Stores:			F.	Rags - - - - -	-	Cwt. and Value.
	Locomotives, Tenders, and other Machinery (See Machinery).	-	Value.				
	Carriages and parts of carriages - -	-	"				
	Rails, sleepers, and all other materials for permanent way.	-	"				
	Saddlery - - - - -	-	Value.				
	Salt - - - - -	-	Cwt. and Value.				
	Saltpetre - - - - -	-	"	F.	Saltpetre - - - - -	-	Cwt. and Value.
	Seeds for gratuitous distribution - -	-	Value.	F.	" refuse - - - - -	-	"
				A. V.	Sealing wax - - - - -	-	"
	Seeds, viz.:						
	Anise - - - - -	-	Cwt. and Value.		Seeds, viz.:		
T. and A. V.	" Star - - - - -	-	"		Oil:		
	Bedannah or quince - - - - -	-	"		Castor - - - - -	-	-
	Cummin - - - - -	-	Value.		Ground nuts - - - - -	-	-
	Garden and field and bulbs, not imported for gratuitous distribution by a public society.	-	"		Jingely or teel - - - - -	-	-
	Indigo - - - - -	-	Cwt. and Value.		Linseed - - - - -	-	Cwt. and Value.
	All other sorts - - - - -	-	Value.		Methee - - - - -	-	-
	Shawls - - - - -	-	Doz. and Value.	T. and A. V.	Mustard - - - - -	-	Cwt. and Value.
					Poppy - - - - -	-	"
					Rape or sursee - - - - -	-	-
					Other kinds - - - - -	-	-
	Shells, viz.:				Essential:		
	Chanks - - - - -	-	No. and Value.		Coriander - - - - -	-	Cwt. and Value.
	Cowdas - - - - -	-	"		Cummin - - - - -	-	Value.
	Cowries - - - - -	-	Cwt. and Value.		All other sorts - - - - -	-	-
	Mother-o'-Pearl - - - - -	-	Lbs. and Value.	F.	Shells and Cowries - - - - -	-	Cwt. and Value.
A. V.	Tortoise and turtle - - - - -	-	Cwt. and Value.				
	Nuckla - - - - -	-	Value.				
	All other sorts - - - - -	-	"				
	Ships:						
	Parts of, and materials for repairing and building ships and boats, not otherwise described.	-	Value.				
	Iron plates, frame-work, and other parts of steamer (except machinery, see that head).	-	"	F.	Silk:		
	Flats and barges to be towed by steamer	-	"		Raw - - - - -	-	Cwt. and Value.
					Chussum - - - - -	-	Value.
	Silk, Manufactures of, viz.:				Silk, Manufactures of:		
	Silk, floss - - - - -	-	Lbs. and Value.				
	Raw, Charon and Cochin China - -	-	"	T. and A. V.			
	" Mathow - - - - -	-	"				
	" Other kinds of China - - - - -	-	"				
	" Persian - - - - -	-	"				
	" Punjum and Cutchra - - - - -	-	"				
	" Siam - - - - -	-	"				
	" Sewing Thread, China - - - - -	-	"				
A. V.	Piece Goods, viz.:						
	Brocades - - - - -	-	Yards & Value.				
	Camlets - - - - -	-	"				
	Crape - - - - -	-	"				
	" shawls - - - - -	-	No. and Value.				
	Damasks - - - - -	-	Yards & Value.				
	Gauze - - - - -	-	Doz. and Value.	A. V.	Shawls - - - - -	-	-
	Handkerchiefs - - - - -	-	Yards & Value.				
	Lutestrings - - - - -	-	Doz. and Value.				
	Marselline - - - - -	-	Yards & Value.				
	Satin and Gros-de-Naples, plain -	-	"				

APPENDIX (G.)—CLASSIFIED LIST OF ARTICLES OF MERCHANDISE—continued.

IMPORTS.				EXPORTS.			
		Silk, Manufactures of, viz.— <i>continued</i> .					
		Piece Goods, viz.— <i>continued</i> .					
		Satin and Gros-de-Naples, figured - - - - -	Yards & Value.				
		Sarsenets - - - - -	"				
		Velvets - - - - -	"				
A. V.		All others - - - - -	"				
		Manufactures of Mixed:					
		Velvets - - - - -	"				
		All others - - - - -	"				
T. and A. V.		Silver-ware - - - - -	Tolab & Value				
F.		Soap - - - - -	Value.				
		Soda and seltzer water - - - - -	"				
		Specimens illustrative of natural science in any department.	"				
		Spices, viz.:					
		Aloe wood - - - - -	Value.				
		Betelnut - - - - -	Cwt. and Value.				
		" White sheverdhun - - - - -	"				
		" All other kinds - - - - -	"				
		Cardamoms, true - - - - -	"				
		" bastard - - - - -	"				
T. and A. V.		Cassia - - - - -	"				
		Chillies - - - - -	"				
		Cinnamon - - - - -	"				
		Cloves - - - - -	"				
		Mace - - - - -	"				
		Nutmegs - - - - -	"				
		Pepper, black and long - - - - -	"				
		" White - - - - -	"				
		All other sorts - - - - -	Value.				
A. V.		Sponges - - - - -	"				
A. V.		Stationery, except paper - - - - -	"				
A. V.		Stone-ware - - - - -	"				
		Stone and Marble:					
		Manufactured:					
		Slate - - - - -	Value.				
		Stone, viz.:					
		Hewn - - - - -	"				
		For lithographic purposes - - - - -	"				
A. V.		Grind stones, mill stones, and hones - - - - -	"				
		All other sorts - - - - -	"				
		Marble, viz.:					
		Sawn into slabs or tiles - - - - -	"				
		All other sorts, except statuary - - - - -	"				
		Unmanufactured:					
		Stone, viz.:					
		Ballast and in lumps not hewn - - - - -	Value.				
		Marble, viz.:					
		In rough blocks or solids - - - - -	"				
		Sugar and other Saccharine Matter, viz.:					
		Sugar - - - - -	Cwt. and Value.				
		Sugar-candy - - - - -	"				
		Molasses and jaggery - - - - -	"				
T. and A. V.		Tea - - - - -	Lbs. and Value.				
		Telegraphic materials and instruments - - - - -	Value.				
		Tiles, ornamental - - - - -	"				
		Tobacco, and Articles used in the consumption of:					
		In leaf - - - - -	Cwt. and Value.				
		Manufactured:					
		American - - - - -	"				
		All other sorts for smoking or chewing - - - - -	"				
		Cigars and cheroots - - - - -	"				
		Snuff - - - - -	"				
A. V.		Pipes and other articles used in the consumption of tobacco.	Value.				
A. V.		Toys and games - - - - -	"				
		Treasure:					
		Private:					
		Gold:					
		Bullion - - - - -	Value.				
		Coin - - - - -	"				
F.		Silver:					
		Bullion - - - - -	"				
		Coin - - - - -	"				
		Soap:					
		Country - - - - -	Cwt. and Value.				
		Specimens illustrative of natural science in any department.	Value.				
		Spices, viz.:					
		Aloe wood - - - - -	Lbs. and Value.				
		Betelnut in husk - - - - -	No. and Value.				
		Cardamoms - - - - -	Cwt. and Value.				
		" Large bastard - - - - -	"				
		Chillies - - - - -	"				
		Ginger, dry - - - - -	"				
		Pepper - - - - -	"				
		Turmeric - - - - -	"				
		All other sorts - - - - -	Value.				
		Spirits:					
		Rum - - - - -	Gals. and Value.				
		Other sorts - - - - -	"				
		Stationery - - - - -	Value.				
		Sugar:					
		Molasses and jaggery - - - - -	Cwt. and Value.				
		Other saccharine produce - - - - -	"				
		Tallow - - - - -	"				
		Teak timber, tons (measurement) - - - - -	Value.				
		Tobacco, pipes and articles used in the consumption of.	Value.				
		Leaf prepared for smoking and chewing.	Cwt. and Value.				
		Cigars and cheroots - - - - -	"				
		Snuff - - - - -	"				
		Treasure:					
		Private:					
		Gold:					
		Bullion - - - - -	Value.				
		Coin - - - - -	"				
		Silver:					
		Bullion - - - - -	"				
		Coin - - - - -	"				

APPENDIX (G.)—CLASSIFIED LIST OF ARTICLES OF MERCHANDISE—*continued.*

I M P O R T S.				E X P O R T S.			
	Treasure— <i>continued.</i>				Treasure— <i>continued.</i>		
	Government :				Government :		
	Gold :				Gold :		
	Bullion - - - - -	Value.			Bullion - - - - -	Value.	
	Coin - - - - -	"			Coin - - - - -	"	
F.	Silver :			F.	Silver :		
	Bullion - - - - -	"			Bullion - - - - -	"	
	Coin - - - - -	"			Coin - - - - -	"	
A. V.	Trunks and Boxes - - - - -	Cwt. and Value.			Twist :		
A. V.	Turmeric - - - - -	"			Cotton country, No. 10 - - -	Lbs. and Value.	
A. V.	Verdigris - - - - -	"			" No. 20 - - -	"	
	Umbrellas, cotton, steel ribs - - -	No. and Value.		T.	" No. 30 - - -	"	
	" Cane ribs - - - - -	"			Hand spun - - - - -	"	
	" China paper Ketisals - - -	"					
	" Silk - - - - -	"					
A. V.	" All other sorts and parts of - -	Value.					
A. V.	Wax, Bees - - - - -	"		A. V.	Wax and Wax Candles - - -	Value.	
	Wood and Manufactures of, not otherwise enumerated, viz. :				Wood :		
	Boards and Planks :			A. V.	Boards and planks - - - - -	Sl. ft. & Value.	
	Of deal or pine - - - - -	Sl. ft. & Value.					
	Of other kinds - - - - -	No. and Value.		A. V.	Mast, spar, and oar pieces - -	No. and Value.	
T. and A. V.	Mast, spar, and oar pieces - - -	"					
	All other shapes - - - - -	Value.			Ornamental, viz. :		
	Manufactures of - - - - -	"		A. V.	Sandal - - - - -	Cwt. and Value.	
	Ornamental, viz. :						
	Ebony - - - - -	Value.					
	Mahogany - - - - -	Sl. ft. & Value.					
	" Australian - - - - -	"					
	Lignum Vitæ - - - - -	Cwt. and Value.					
T. and A. V.	Sandal - - - - -	"					
	" Bastard and Australian - - -	"					
	Other kinds - - - - -	"					
	Palmyra and Tugqur - - - - -	Value.		A. V.	Wool, Manufactures of - - -	Pcs. and Value.	
	Wool, Manufactures of, viz. :						
	Piece Goods :						
	Alpacas - - - - -	Yds. and Value.					
	Broad cloth - - - - -	"					
	Camlets - - - - -	"					
	Cobourgs - - - - -	"					
	Carpets and carpeting - - - - -	"					
	Dometts - - - - -	"					
	Doe skins - - - - -	"					
	Flannels - - - - -	"					
	" Printed - - - - -	"					
	Kerseymeres - - - - -	"					
	Ladies' and Pelisse cloth - - -	"					
	Medium cloth - - - - -	"					
	Merino - - - - -	"					
A. V.	Muslin-de-laine - - - - -	"					
	Saved lists - - - - -	"					
	Serge - - - - -	"					
	Spanish stripes - - - - -	"					
	Town cloth - - - - -	"					
	Trousing - - - - -	"					
	Tweed - - - - -	"					
	Bunting - - - - -	Pcs. and Value.					
	Blankets - - - - -	Pairs & Value.					
	Shawls - - - - -	No. and Value.					
	Mixed goods - - - - -	Yds. and Value.					
	Braids - - - - -	Gross & Value.					
	Other sorts - - - - -	Value.					
	All other articles which cannot be included in any of the above classes.	"			All other articles which cannot be included in any of the above classes	Value.	

For APPENDIX (H.)—*Vide* Supplement to the Gazette of India of 8th September last.

EAST INDIA (TARIFF VALUATIONS).

ABSTRACT RETURN.

COPY of the SUPPLEMENT to the GAZETTE of
INDIA, dated Calcutta, 19th January 1867,
containing the REPORT of the COMMITTEE for
the Revision of TARIFF VALUATIONS.

(*Mr. Crawford.*)

*Ordered, by The House of Commons, to be Printed,
25 March 1867.*

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EAST INDIA (ARMY).

COPY of the INSTRUCTIONS sent by the Secretary of State for *India* to the Governor General of *India* relative to the proposed Settlement of the BONUS QUESTION for the INDIAN ARMY.

Military Department, }
India Office, 3 May 1867. }

T. T. PEARS, Major-General,
Military Secretary.

(Military, No. 124.)

To His Excellency the Right Honourable the Governor General of
India in Council.

India Office, London,
2 May 1867.

Sir,

Para. 1. I HAVE received and considered in Council your Military Letter, No. 48, dated 8th March 1867, forwarding papers connected with the operation of the proposed compensation for the loss of money contributed by officers of the Indian Army, prior to the reorganization, towards regimental retiring funds, or for purchasing out their seniors, with copy of General Orders on the subject.

2. The general principles which, on the recommendation of the Committee of Officers in Bengal, you have laid down for the guidance of the Committees at the three Presidencies, are calculated to simplify and facilitate the investigation of officers' claims. I do not consider, however, that the adoption of the general rule proposed by your Government will carry out so fully the intentions of Her Majesty's Government in this respect as the more particular investigation of each case, contemplated by the instructions conveyed in the 13th paragraph of Lord Cranborne's Despatch, No. 160, of 8th August 1866, and in the first paragraph of that of the 15th December last, No. 284.

3. To the rule laid down in para. 6, so far as it concedes compensation in full to officers for sums paid in the regimental rank which they held at the date of the reorganization of the army, I have no objection, but it appears to me that the denial, save in very exceptional cases, of all compensation for sums paid in previous grades is inconsistent with the instructions contained in those Despatches.

4. The actual investigation of each officer's claim will, no doubt, as you observe, be attended with difficulty, but the difficulty is not insuperable; and it is most desirable that the intention of Her Majesty's Government, expressed in the above Despatches, should be borne in mind, viz., that each officer concerned should, as far as possible, be secured from absolute loss upon the money he has actually paid throughout his entire service with a view to the purchase of promotion, and it seems to me that this object cannot be sufficiently attained in any other manner than that described in the Despatch of the 8th August last, viz., considering each case upon its own merits.

5. I should wish, therefore, that you should take such steps as may appear to you to be necessary to give full effect to the intentions expressed in Lord Cranborne's Despatches of the 8th August and the 15th December.

I have, &c.
(signed) *Stafford H. Northcote.*

EAST INDIA (ARMY).

COPY of the INSTRUCTIONS sent by the Secretary of State for *India* to the Governor General of *India* relative to the proposed Settlement of the BONUS QUESTION for the INDIAN ARMY.

(Presented to Parliament by Her Majesty's Command.)

*Ordered, by The House of Commons, to be Printed,
6 May 1867.*

EAST INDIA (ARMY).

RETURN to an Address of the Honourable The House of Commons,
dated 4 July 1867;—for,

“ RETURN of the Number of Cases, omitting Names, in which OFFICERS who have been DISMISSED from the INDIAN ARMY, during the last Ten Years, have been granted SUBSISTENCE MONEY, the Nature of the Offences for which those Officers were Dismissed, and the Amount Granted in each case.”

India Office, }
13 July 1867. }

T. T. PEARS, Major General,
Military Secretary.

RETURN of the Number of Cases, omitting Names, in which OFFICERS who have been DISMISSED from the INDIAN ARMY, during the last Ten Years, have been granted SUBSISTENCE MONEY, the Nature of the Offences for which those Officers were Dismissed, and the Amount Granted in each case.

Date.	Rank.	Length of Service.	Cause of Dismissal.	Amount.
		<i>Years.</i>		<i>£.</i>
1858 -	Surgeon - - - -	21	Disgraceful conduct - -	120
1859 -	Captain - - - -	15	Intemperate habits - -	50
1860 -	Lieutenant - - - -	14	Drunk on duty; cashiered by sentence of court martial.	60
1862 -	Major - - - -	29	Abuse of official authority -	292
1863 -	Captain - - - -	23	Fraud; cashiered by sentence of court martial.	50
1864 -	Captain - - - -	22	Intemperate habits - -	100
1865 -	Lieutenant - - - -	10	Inefficiency - - - -	50
1866 -	Captain - - - -	19	Intemperance - - - -	50
1866 -	Lieutenant - - - -	6	Fraud - - - -	35
1867 -	Captain and Brevet Major -	25	Cashiered by sentence of court martial for embezzlement.	50
1867 -	Captain - - - -	17	Intemperate habits - -	50

EAST INDIA (ARMY).

RETURN of the Number of Cases in which
OFFICERS who have been Dismissed from the
INDIAN ARMY, during the last Ten Years, have
been granted SUBSISTENCE MONEY, the Nature
of the Offences for which those Officers were
Dismissed, and the Amount granted in each
case.

(*Mr. Otway.*)

*Ordered, by The House of Commons, to be Printed,
18 July 1867.*

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EAST INDIA (CIVIL SERVICE EXAMINATION).

RETURN to an Address of the Honourable The House of Commons,
dated 26 May 1865;—for,

“ RETURN from the Governments of *Bengal* and the other Presidencies in *India*, giving their Opinions as to the Efficiency of the present System by which the CIVIL SERVICE is Recruited from this Country, and whether they consider that the Service has been Improved by the present Mode of ELECTION by COMPETITIVE EXAMINATION.”

India Office, }
10 May 1867.}

H. L. ANDERSON,
Secretary Public Department.

(Home Department.—Public.—No. 25, of 1866.)

To the Right Honourable the Earl *De Grey and Ripon*, Secretary of State for India.

My Lord,

Simla, 5 May 1866.

YOUR Despatch, dated the 2nd of March, requests us to submit a Report on behalf of the Governments under the immediate control of the Governor General in Council, to enable a Return to be made to an Address from the House of Commons to Her Majesty, asking for opinions from the Governments of the several Presidencies in India as to the efficiency of the present system by which the Civil Service in India is recruited.

2. We would observe that as the Civil servants who were first appointed under the system of competitive examination have not yet been 10 years in India, and as consequently the great majority of the servants so appointed are still holding very subordinate positions in the Public Service, it would, in our opinion, be premature to pronounce conclusively whether or not the Civil Service has on the whole been improved by the present system.

3. We are inclined, however, to believe that it has; for it may at least, we think, be confidently affirmed that the present system is effective to exclude great inefficiency, which undoubtedly was not excluded under the old system; and also that the young men who enter the Service under the present system are, as a rule, more highly educated than those who found admittance under the former system. Even if there should be some defects in the present system, and we are not now prepared to point to any, we are disposed to think that they would be more than counterbalanced by the results above mentioned.

We have, &c.

(signed) *John Lawrence.*
W. R. Mansfield.
H. S. Maine.
W. Grey.
G. N. Taylor.
W. N. Massey.
H. M. Durand.

(Public Department.—No. 13, of 1866.)

To the Right Honourable the Secretary of State for India.

My Lord,

Proceedings, 27th
April 1866.
Nos. 130 to 133.

IN acknowledging the receipt of your Despatch of the 2nd ultimo, calling for a Report on the efficiency of the present system by which the Indian Civil Service is recruited, with reference to an Address presented to Her Majesty by the House of Commons, we have the honour to lay before you the annexed copies of Minutes recorded on the subject by the Honourable Mr. Pycroft and the Honourable Mr. Phillips.

2. His Excellency the Governor having arrived in the country only a few weeks ago, has not felt himself in a position to record any opinion on the subject.

Fort St. George,
28 April 1866.

We have, &c.
(signed) *Napier.*
T. Pycroft,
H. D. Phillips.

PROCEEDINGS of the Madras Government, Public Department, 27th April 1866.

READ the following papers :

No. 130.—DESPATCH from the Right Honourable the Secretary of State for India, dated 2nd March 1866, No. 7.

No. 131.—MINUTE by the Honourable *T. Pycroft*, dated 16th April 1866.

THE House of Commons have presented an Address to Her Majesty, requesting that there may be laid before their House a Return from the Governments of Bengal and the other Presidencies in India, giving their opinions as to the efficiency of the present system by which the Civil Service is recruited from the United Kingdom, and whether they consider that the Service has been improved by the present mode of election by competitive examination.

2. The Right Honourable the Secretary of State, in his Despatch of the 2nd ultimo, has desired us to submit the required Report on behalf of our Government.

3. In 1863, I was requested by Sir C. E. Trevelyan, at that time Member of the Council of India, to give my opinion, in confidence, as to the practical result of the competitive system for recruiting the Indian Civil Service; as far as it then had been evidenced in the men whom we had received at the Madras Presidency under it.

4. I then wrote as follows: "My opinion of the competition civilians, as a body, as far as I have had an opportunity of forming a judgment is favourable. The six who have been for some time employed up-country are generally approved by the officers under whom they are serving. Those at Madras, who are qualifying; or have just been pronounced qualified for the Public Service, have many of them passed their examinations in the vernacular languages in a very short space of time; showing great diligence, and no small aptitude for the acquisition of Oriental dialects. They, are in many instances, shy, retiring, and, partly from their being absorbed in their studies, do not enter much into general society. They therefore, perhaps, want somewhat of the air and polish of civilians of the old class."

"On the whole," I continued, "I am convinced that the men of the new order will furnish a larger supply of public servants fitted for the important offices which have to be filled from the Madras Civil Service than their predecessors did. I must add my conviction, founded on the experience of more than seven years, during which, as Chief Secretary, I was the confidential adviser of three successive Governors of Madras in matters of civil patronage; that the old system, or that by nomination, had, in this Presidency at least, broken down; and that although it did, no doubt, produce some able, and a few very able men, it did not furnish them in sufficient numbers to allow of the many highly important offices belonging to the covenanted Civil Service being adequately provided for."

5. The preceding remarks were written in October 1863, when but a small number of the competition civilians had come out to this Presidency. My further acquaintance with them during the two and a-half years which have since elapsed has not led me to change the opinion which I then expressed. I still think that the present system of pure and open competition, although not without some drawbacks, and susceptible of improvement in some of its details, is yet, on the whole, decidedly superior to the former system, and the best that could be devised for filling the ranks of the Indian Civil Service.

(signed) *T. Pycroft.*

No. 132.—MINUTE by the Honourable *H. D. Phillips*, dated 24th April 1866.

I HAVE no difficulty whatever in agreeing with Mr. Pycroft in the opinions he has above expressed, and I think they will form a correct and proper reply to the two questions contained in the Resolution of the House of Commons which has been communicated to this Government.

(signed) *H. D. Phillips.*

No. 133.—ORDER thereon, 27th April 1866, No 439.

ORDERED that copies of the foregoing minutes be forwarded to the Right Honourable the Secretary of State for India.

(True Extract).

(signed) *A. J. Arbuthnot,*
Chief Secretary.

(General Department.—No. 11, of 1867.)

To Her Majesty's Principal Secretary of State for India in Council, London.

Right Honourable Sir,

Bombay Castle, 13 April 1867.

WE have the honour to reply to Lord Cranborne's Despatch, No. 31, dated 17th October last, drawing our attention to the subject of a communciation from Earl De Grey and Ripon, No. 7, dated 2nd March preceding, in which we were requested to submit an opinion upon the present system of recruiting for the Indian Civil Service, and whether the Service has been improved by the present mode of election by competitive examination.

2. We beg to state that we do not think the time has yet arrived for offering a decided opinion on the subject. The system is still on its trial, and until the Civil servants appointed by competition have had opportunities of rising to the higher and more responsible posts, it will not be possible to answer properly the question put in Lord Cranborne's Despatch. Besides, their numbers at present are too small to allow of any general deduction being drawn as to their average capabilities. There are many of them to whom we could refer as men of unquestionable ability, and at the same time most valuable public servants. There are some whose ability is not developed in the practical form which renders it useful to the State. These latter, however, are not many in number, and the failures are found in men of natural talents, and of more than average acquirements in special branches of science, who do not possess other qualifications indispensable for efficiency in the public service of India. The failures under the new system are thus different in character from failures under the old regime; but whether more numerous or not, there has not yet been time to judge.

3. We would, with deference, beg to state our opinion that it is too soon to make the inquiry suggested in the address, nor do we understand that any practical object would be gained even were proof forthcoming that the present system is less satisfactory than that which it superseded. A return to the former system is now out of the question, and we have only to regulate the time of admission, the nature of the examination, and the subsequent disposal of successful candidates, so that the men sent out may be as efficient as possible in their future career.

We have, &c.

(signed) *Wm. R. Seymour V. Fitzgerald.*
B. H. Ellis.

EAST INDIA
(CIVIL SERVICE EXAMINATION).

RETURN from the Governments of *Bengal* and the other Presidencies in *India*, giving their Opinion as to the Efficiency of the present System by which the Civil Service is Recruited from this Country, and whether they consider that the Service has been Improved by the present mode of Election by COMPETITIVE EXAMINATION.

(*Mr. Hankey.*)

*Ordered, by The House of Commons, to be Printed,
13 May 1867.*

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EAST INDIA (CONTRACT LAW).

RETURN to an Address of the Honourable The House of Commons,
dated 1 March 1867;—for,

“COPY of any LEGAL OPINION which may have been taken in *England*, as to
the Principle of enforcing INDIGO and other AGRICULTURAL CONTRACTS
in *India* by Penal Enactments.”

India Office, }
11 March 1867. }

H. L. ANDERSON,
Secretary, Judicial and Legislative Department.

Mr. *Macpherson* to the Under Secretary of State for *India*.

Sir,

20 Abingdon-street, 27 November 1866.

I AM directed by the Indian Law Commissioners to acknowledge the receipt of the Report of the Committee of the Council of the Viceroy of India on the Bill to consolidate and amend the Law relating to the procedure of the Courts of Civil Judicature in British India, together with copies of the Bill as amended by the Select Committee, and as originally introduced, and of the prefatory statement of the objects and reasons, together with your letter of the 25th August last, in which you state, that upon the question of principle involved in the proposed measure relating to the specific performance of contracts, and upon the general provisions of the Bill, it is the wish of Viscount Cranborne to be favoured with an expression of the views of the Indian Law Commission.

In answer thereto, I am desired to state, that in consequence of the separation of the Commissioners during the long vacation, it is but very lately that they have been able to take this subject into consideration; and although they have not hitherto examined the several provisions of the Bill submitted to them, they have maturely considered the question relating to the specific performance of contracts, and on this subject they desire me to state their views.

In their Second Report,* the Commissioners proposed (p. 8) that the extraordinary remedy of an order for specific performance should be restricted to the case of engagements for the creation or transfer of any interest in immoveable property, or for the delivery of any specific article of moveable property, and they did not think it right to include in the former category agreements for the cultivation of land in a particular manner, or for the growth of particular crops. And they provided that injunctions should not be granted to restrain the breach of engagements relating to the cultivation of land, or the growing particular crops.

* Submitted in
July last.

The provisions to which these passages relate are contained in sections 52 and 59 of the body of the proposed law submitted in that Report.

By both the draft Bills, copies of which accompanied your letter, it is proposed to authorise the granting of orders for specific performance and injunctions in terms so general as to include engagements of the kind above mentioned, but this power is in the amended Bill subjected to certain conditions intended to prevent its abuse.

The provisions on this subject contained in the Bill as originally introduced, and those contained in the amended Bill, together with an extract from the Act now in force for the Registration of Assurances, are annexed in a printed form to this letter.

The Commissioners, though fully sensible of the great respect due to the authority of those by whom the Bill was framed, and those by whom it was revised, are unable to approve of its provisions in either of its forms on this particular subject.

They think that the conditions in the amended Bill are inadequate to secure the object for which they were proposed, and that it is not possible to provide conditions which would effectually prevent abuse.

I am, &c.

(signed) *William Macpherson*.

The Under Secretary of State for India.

Bill dated 29 April
1864, ss. 23. 131-5,
and 323.
Bill dated 10 April
1865, ss. 24, 25. 133
134-314, and 315.
Indian Act, No. XX
1866, s. 36.

EAST INDIA (CONTRACT LAW).

COPY of *Legal Opinion* as to the Principle of
Enforcing Indigo and other AGRICULTURAL
CONTRACTS in *India* by Penal Enactments.

(*Mr. Kinnaird.*)

Ordered, by The House of Commons, to be Printed,
12 March 1867.

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COOLIE TRADE.

RETURN to an Address of the Honourable the House of Commons,
dated 26 February 1867;—for,

“COPY of any recent PAPERS connected with the COOLIE TRADE in *Assam*,
or elsewhere.”

India Office, }
11 March 1867. }

HENRY DEEDES,
Assistant Secretary, Public Department.

Home Department.—Judicial.—No. 30 of 1866.

To the Right Honourable Viscount Cranborne, Secretary of State for India.

My Lord,

Simla, 17 September 1866.

WE have the honour to transmit, for your information, a copy of the correspondence noted in the margin, relating to a judicial investigation into certain cases of flogging of labourers on the Assam Company's Tea Gardens at Cherrajoolie in Zillah Durrung.

From Bengal, No. 3703, dated 27th July 1866,
and enclosures.
To Bengal, No. 4433, dated 11th September.
To Bengal, No. 4435, dated 11th September.

2. We have, you will observe, sanctioned the appointment of an additional assistant Commissioner to be posted at Bishnath, in charge of a sub-division. The officer holding this appointment will be ex-officio protector of labourers, and will draw half his salary from the transport labour fund.

3. We beg to draw attention to our separate communication to the Government of Bengal, No. 4435, dated 11th instant, and to state that our further proceedings on the subject will be duly reported.

We have, &c.
(signed) *John Lawrence,*
W. R. Mansfield,
H. S. Maine,
W. Grey,
G. N. Taylor,
W. N. Massey,
H. M. Durand.

(Emigration—No. 3703.)

From *A. Mackenzie*, Esq., Officiating Under Secretary to the Government of Bengal, to the Secretary to the Government of India, Home Department.

Sir,

Fort William, 27 July 1866.

I AM directed to forward, for submission to his Excellency the Governor General in Council, copy of a correspondence noted in the margin, containing reports on the result of judicial investigation into several cases of flogging of labourers on the Assam Company's tea gardens at Cherrajoolie, in Zillah Durrung, Assam.

Emigration, A. for May 1866, Nos. 22 to 32.
Commissioner of Assam, No. 207, dated 19th May 1866.
Commissioner of Assam, No. 241, dated 12th June 1866.
Commissioner of Assam, No. 259, dated 22nd June 1866,
and Enclosure.
To Commissioner of Assam, No. 3,700, of this day's date.

2. I am to say that, in order to remove all grounds for the attempts made by the jurors to justify such gross brutality as that of which Dunne, the principal party concerned in these outrages, was guilty, on the score of want of magisterial officers, and the consequent necessity imposed on planters of taking the law into their own hands, the Lieutenant Governor would strongly recommend sanction being given to the appointment of an Assistant Commissioner to be posted at Bishnath in charge of a sub-division. This officer might also be *ex officio* protector of labourers, half his salary being paid from the Labour Transport Fund.

3. His Honour thinks it is clear from these proceedings and from the presentment of the jury, that it is not expedient as a rule to appoint managers of tea plantations to be honorary magistrates.

I have, &c.
(signed) A. Mackenzie,
Officiating Under Secretary to the
Government of Bengal.

Emigration, A—May 1866.

(No. 22.)

From Lieutenant-Colonel H. Hopkinson, Agent to the Governor General, and Commissioner of Assam, to the Secretary to the Government of Bengal (No. 157); dated the 9th April 1866.

I HAVE the honour to submit, for the consideration of Government, the

Extract from Captain Lamb's diary for the week ending 12th March 1866.
Copy of letter from Commissioner of Assam, to Deputy Commissioner, Durrung, No. 250, of 17th March.
Deputy Commissioner, to Commissioner of Assam, No. 157, dated 23rd March.
Deputy Commissioner, to Commissioner of Assam, No. 160, of 28th March, with proceeding.
Commissioner of Assam, to Deputy Commissioner, Durrung, No. 338, dated 9th April 1866.

papers noted in the margin, concerning a cruel system of flogging coolies which appears to have been established on the Serajoollee plantations, belonging to the Assam Tea Company, in the Durrung district.

2. Rumours that a practice of flogging coolies for running away prevailed on some of the plantations, and among them on the Assam Company's plantations, have from time to time been bruited about; but they have been too intangible for notice, and I was far from supposing that anywhere in the Province coolies could be treated with the cold-blooded revolting cruelty which the papers herewith forwarded disclose.

3. I am not aware that the Government can take any action in the case, unless they should think fit to allow public opinion to express itself upon it. At the same time the law properly administered is quite adequate to the repression of such offences as have disgraced the management of the Assam Company's gardens at Serajoollee. I do not, therefore, seek the interference of Government, but have thought it proper to report the case, because of the serious and extraordinary features which it presents.

4. I shall forward a copy of this letter to the Protector of Coolies in Upper Assam, and to the Deputy Commissioners of Luckimpore, Sebsaugor, Nowgong, and Kamroop, to the end that they may institute immediate inquiries and report as to the manner in which discipline is maintained on the Tea Plantations within their respective districts, and whether there is any reason to suppose that the practice of flogging exists on any of them. On the receipt of the reports I will communicate anything noteworthy there may be in them to Government.

(No. 23.)

EXTRACT from Captain Lamb's Diary for the Week ending 12th March 1866.

MOVED to the Gabroo and inspected the Assam Tea Company's gardens *en route*; found seven men in one of them, who had the marks of having been unmercifully beaten with a cane on their backs. They stated that short rations had induced them to abscond, and about a fortnight ago they had been brought back to the garden, and the assistant in charge of it had tied them up and given each of them a severe beating. "One mah's wounds

wounds were deep into the flesh" and still quite raw, I therefore ordered him into the station for medical treatment. The coolies said they desired to complain, but were not permitted to leave the garden. From inquiries, I gather that after these unfortunate men had had their backs cut to pieces with a cane, oil and salt had been rubbed into the wounds. I have despatched a policeman to the garden to bring in as many coolies as may be desirous of preferring complaints. In justice to the planters in this district, I note that this is the only estate on which such cruelty has come to my notice. Mr. Dunne, I am informed is the name of the assistant in charge of the garden where I found these unfortunate men, and Mr. Donald is the name of the Company's Manager in this district; the latter had visited the garden about a week ago, but still the coolies had not been allowed to take advantage of Act VI. (B. C.) of 1865. sect, 27, and came in to lodge their complaints.

(No. 24.)

From Lieutenant-Colonel *H. Hopkinson*, Agent to the Governor General, and Commissioner of Assam, to the Deputy Commissioner of Durrung (No. 250); dated the 17th March 1866.

WITH reference to the entry in your diary for the 9th March, I have the honour to request your immediate explanation of the cause of your not having at once and on the spot proceeded to investigate the case of the unfortunate coolies whom you report as having been so cruelly and brutally used, and of your having -contented yourself with despatching "a policemen to the garden to bring in as many coolies as may be desirous of furnishing complaints," a course which, I fear, will serve no other purpose than to defeat the ends of justice and screen the guilty parties.

2. You remark that the Assam Tea Company's estate is the only one where any cruelty has come to your notice; but really, if you dealt with complaints of cruelty as you appear to have done in this instance, it is not very likely that they would be often made to you, even if there were grounds for making them. I beg the favour of your reporting what steps you have taken towards bringing the persons guilty of the cruelty you report to trial, and you will also report the result of any trial. I request that your explanations may be full, as I may have to submit them for the consideration of Government.

(No. 25.)

From Captain *T. Lamb*, Deputy Commissioner and Protector of Labourers of Durrung, to the Agent to the Governor General, and Commissioner of Assam (No. 157); dated the 23rd March 1866.

IN reply to your letter No. 250, dated 16th instant, I have the honour to state that the Mofussil diary was not, in my opinion, the proper place to enter in greater detail the proceedings I took on the complaints of the coolies who complained to me of ill-treatment. I noted simply and as concisely as possible the complaints preferred by those in the garden I passed through, and being informed by them that there were others in a garden a considerable distance off, which it would have taken me seven hours to visit before I could reach my camp, which had gone on three hours' march in another direction, and even then I could only have heard one side of the story, I despatched a constable without delay to bring in as many coolies as might be desirous of making complaints under sect. 28, Act VI. (B. C.) of 1865. The accused person, I would note, was in Tezpore, sick at the time; and in his absence, as I could only receive one-sided statements, all that appeared necessary was for me to summon the complainants, as Protector of Labourers, and eventually (as the men had clearly been subjected to gross ill-usage) to take up the matter in the Criminal Department, under sect. 30, Act VI. (B. C.) of 1865, to enable me to comply with their request, which was to cancel their contracts.

2. I am sorry that you should have concluded merely on a perusal of the notes I entered in my diary, which I was not aware was intended to be a full record of my proceedings, that I would allow any guilty parties an opportunity of screening themselves by such neglect as you attribute to me.

3. The complaints of the labourers have been concisely recorded, and after hearing anything the accused may have to offer in explanation, I purpose passing such orders as may appear necessary, and will then report the result as you desire. This is the course I purposed pursuing prior to the receipt of your letter under reply, and I have the honour to solicit the favour of your appending this letter to any report you may have to submit to Government, trusting that both His Honour the Lieutenant Governor and yourself will approve my conduct in this inquiry.

(No. 26.)

From Captain *T. Lamb*, Deputy Commissioner and Protector of Labourers of Durrung, to the Agent to the Governor General, and Commissioner of Assam (No. 166); dated the 28th March 1866.

IN continuation of my letter No. 157, dated 23rd instant, I have the honour to inform you that the undermentioned labourers imported under Act III. (B. C.) of 1863, and working in the Assam Tea Company's Plantations in this District, under the management of Mr. R. D. Donald, complained to me of ill-treatment, and applied to have their contracts cancelled. I inquired into their complaints in the Criminal Department; and as they had ulcerated sores on their backs, which were evidently the result of severe beating with a cane and future neglect, and the Assistant in charge of the garden admitted having beaten each and all of them under instructions received from Mr. Donald, the Company's Manager, living on the estate, who was unable to deny having directed his Assistant to flog the ringleaders among run-aways, I have cancelled the contracts of those noted in the margin, under sect. 32, Act VI. (B. C.) of 1865, and fined the person who actually administered the flogging in the sum of rupees 140 in six cases.

In one case in which Seeboroth, Bhodaie, and Poddarut are complainants, the son of Seeboroth having died within about 26 hours of the time he was beaten, I have committed the case to the Sessions Court for trial, under sect. 325, Indian Penal Code, as Mr. Dunne admits himself amenable to the Mofussil Court.

He is apparently an inexperienced young man, and his means are very limited, being only 80 rupees a month, and acting as he was under the instructions of the manager, I did not punish him so severely as I otherwise should have done, as I was informed that Mr. Donald dismissed him when he heard of these complaints having been preferred to me, although the beating was in accordance with his own directions. As Mr. Donald relieved Mr. Dunne, and was himself directly in charge of the gardens from the 27th February till the 9th March, his assistant, Mr. Dunne, being in Tezpore, sick all that time, he must have been aware of the ill-treatment his coolies had been subjected to; and consequently his removal of Mr. Dunne was clearly only to shield himself, as it was not until the coolies complained to me that he took any notice whatever of Mr. Dunne's conduct. I have the honour to append copies of my proceedings in these cases, the original being filed with the records in the Criminal Court.

Ram Din.
Luckmonee.
Buddee Sing.
Luhuram,
Laloo.
Rogoo.
Salee.

Dhurmdial.
Kuchum.
Gonness.
Bostum.
Pudoruth.
Bangohin.
Bhaddee.

Hureemohun.
Lall Dawa.
Koonjah.
Haro Sing.
Rohonee.
Diall.

(No. 27.)

From Lieutenant Colonel *H. Hopkinson*, Agent, Governor General, and Commissioner of Assam, to the Officiating Deputy Commissioner of Durrung (No. 338); dated the 19th April 1866.

I HAVE the honour to acknowledge the receipt of your letters noted in the margin, and of the copy of the proceedings forwarded with the second letter.

2. I am glad to find that you did not, as I had at first supposed, neglect altogether to take such measures in the complaint of the Serajoolee coolies as the gravity of the case required; but it seems to me that you have to blame yourself for any misconception on the part of this office as to the course you have pursued. You state that you were not aware that your diary was intended to be a full record of your proceedings; neither is it; but it should be an accurate record: inaccuracy and conciseness are not inseparable, and you might have been much more brief than you were in your diary, and yet have told much more than you did tell.

3. I now go on to notice your final proceedings. It falls rather within the province of the Judicial Commissioner than that of mine to remark on defects of procedure; but I cannot help remarking that the manner in which you have recorded the depositions is wanting in clearness, and might have been more complete. I may indeed say that you have made the same error in regard to the depositions that you did in your diary entries, viz., that in attempting to be brief you have failed to be as lucid and precise as could be wished. You have, I notice, quite neglected the rule that depositions should be invariably taken in the first person, and you employ the pronouns "I" and "he," or "she," "her," "we," indifferently in the same complaint to refer to or include the same person; this is confusing. I cannot understand, either, on what principle you have grouped the cases against Mr. Dunne. I should have thought that each complaint would have formed a separate case, the final decision being reserved until all the cases were completed; but you have made six cases out of all the 20 complaints.

4. I am

4. I am of opinion that the sentence of a fine of 140 rupees on Mr. Dunne is quite incommensurate with the offence he has committed. He should have been both imprisoned and fined. I think a man who could be guilty of the systematic practice of such cold-blooded brutal cruelty as was proved against Mr. Dunne, ought not to have been let off with a mere fine.

5. I beg that you will explain also why all the coolies who complained to you, and who had "ulcerated sores on their backs, which were evidently the result of severe beating," were not discharged from their engagement and sent back to their homes, with their expenses paid them by their employers, as provided by section 32, Act VI. (B. C.) of 1865. In fact, every coolie, whether he had an ulcerated back or not, who was proved to have been deliberately tied up and severely flogged, should have been discharged.

6. You report that Mr. Dunne was acting under the instructions of the manager, Mr. Donald; you would not assert this without proof of the fact. It may be said that there is proof of it in the proceedings you have forwarded; I therefore trust that you are taking steps to bring Mr. Donald to trial for the offence of which he has been guilty. Mr. Donald's own deposition cannot of course be used to his prejudice; but I should think it was easy to procure abundant evidence against him from other sources, though to the cruelty, which he shares in common with Mr. Dunne, he should add the cunning which seems to have prompted his conduct when being present at the flogging of the poor woman Beebejan he reserved his objections to a woman being flogged, and when too she was with child, until she had got her flogging; and in his dismissing Mr. Dunne as soon as he was found out.

7. You should have endeavoured to procure, and you should have described, the instrument or instruments with which the floggings were inflicted.

8. You will report the result of the committal in the case of Seeboroth, Bhodar, and Poddarut.

(No. 28.)

From the Honourable *A. Eden*, Secretary to the Government of Bengal, to the Commissioner of Assam (No. 66 T.); dated Darjeeling, the 26th April 1866.

WITH reference to your letter, No. 157, dated 9th instant, with enclosures, reporting the cases of flogging of labourers in the Assam Tea Company's gardens at Gabroo, brought to notice by the Deputy Commissioner of Durrung, I am directed to request that you will submit a full and immediate report of all the circumstances of these cases, showing the evidence against the manager, his assistant, and their subordinate agents.

(No. 29.)

From Lieutenant Colonel *H. Hopkinson*, Agent to the Governor General, North East Frontier, and Commissioner of Assam, to the Secretary to the Government of Bengal (No. 170); dated the 23rd April 1866.

IN continuation of my letter, No. 157, dated the 9th instant, I have the honour to submit the accompanying copy of a letter to my address from the Deputy Commissioner of Durrung, furnishing explanations on the points noted in my letter to him, No. 388, of the 9th idem, a copy of which I forwarded to Government, with the correspondence on the subject of the flogging of coolies in the Serajoolie plantations.

2. With reference to the 3rd paragraph of Captain Lamb's letter, I beg to state that I do not understand his reporting that it appeared that Mr. Donald had never been present on the plantation when the coolies were being flogged, since by that gentleman's own showing he was present on one occasion when the woman Beebejan was flogged, and did not interfere to prevent the flogging until she had received several stripes. I am also still of opinion that Captain Lamb should have given the option of discharge, and the payment of his expenses, to every coolie who it was proved had been tied up and deliberately flogged; and that Mr. Dunne should not have been let off without imprisonment.

(No. 30.)

From Captain *T. Lamb*, Deputy Commissioner of Durrung, to the Agent to the Governor General, North East Frontier, and Commissioner of Assam (No. 202); dated the 14th April 1866.

IN reply to your letter, No. 338, dated the 10th instant, just received, I have the honour to inform you that the complaints against Mr. Dunne were grouped by me into six cases, as the several assaults were so united in point of time as to resolve themselves into so many transactions; thus, several persons deserted from a tea garden, were brought back together, tied up, and flogged at the same place and time; the several acts thus con-

stituting one offence. Others, from another garden, absconded, and were brought back on another occasion and similarly treated; which was a separate offence, established by separate and distinct evidence, for which a separate sentence was passed, consolidated sentences not being legal.

Letter No. 736 of 1864,
Circular No. 16, dated
20th August 1864.
Decision, dated 5th
August 1863.
Poddo Hthree, Appel-
lant, dated 16th June
1864.
Premchand Oswal and
others, Appellants,
dated 15th May 1865.
*Queen versus Mohes
Chunder Sircar.*

The foregoing principle of grouping cases is laid down in Archbold's Criminal Law, as quoted in Mayne's Commentaries on the Penal Code, page 343; and in passing separate sentences for distinct offences, I was guided by the High Court's circulars and decisions cited in the margin; and am very sorry that my procedure has not met with your approval. I trust, however, after a perusal of those letters and decisions (as I have committed the most serious of the cases to the Sessions Court, in order that the accused may be more severely punished, with imprisonment, than my powers would admit of), that you will no longer disapprove of my having only fined the accused in the other cases, and that you will consider those fines sufficiently heavy for a man in Mr. Dunne's position, on such very limited means (he is only drawing 80 rupees a month). I may note that the Judicial Commissioner has already been made acquainted with my motives for committing that case to the Sessions Court, instead of disposing of it myself under Act VIII. of 1866.

2. I am under the impression that I cancelled the agreements of all those coolies who had ulcerated sores; and my reason for not discharging all who had been tied up and beaten was, because section 32, Act VI. (B. C.) of 1865, in one part requires that employers, &c. should be twice convicted of the same offence before a magistrate; and I was of opinion that by way of example it would be sufficient to cancel the contracts of those whose backs showed plainly that they had been grossly ill used; the others I did not consider myself warranted in releasing from their engagements.

On re-perusing my letter, No. 155, to your address, I regret to find that I did not distinguish in the list at the end of my letter, those who had sores from those who had merely old marks of a cane, and others who had scarcely any marks on their backs. This omission on my part must naturally have led you to conclude that all had ulcerated sores, whereas those words applied only to the persons marginally noted in the early part of my letter. I did not send the men back to their homes because they simply applied to be released from their contracts, and, I was informed, were desirous of taking employment in the station.

3. With reference to your 6th paragraph, I particularly inquired whether Mr. Donald was present, or in the plantation, when the coolies were flogged, and it appeared that he was not, and that his complicity extended merely to his having, in reply to a question once put to him by Mr. Dunne, given general instructions to flog the ringleaders amongst runaways, which in itself would be insufficient to bring a charge home to him in any particular instance.

(No. 31.)

From Colonel *H. Hopkinson*, Agent to the Governor General, North-East Frontier, and Commissioner of Assam, to the Secretary to the Government of Bengal (No. 199); dated the 9th May 1866.

I HAVE the honour to acknowledge the receipt of your letter to my address, No. 66 T., of the 26th ultimo, and in reply, to submit that among the enclosures forwarded with my No. 157, of the 9th ultimo, was included a copy of the proceedings of the Deputy Commissioner in the ease of the flogging of labourers in the Assam Tea Company's gardens at Serajoolie.

2. These proceedings are all in English, and embody all the information I have of the circumstances of the case. I found I could not make an abstract of them, since they are so brief as not to admit of further condensation, and it appeared to me that I could not do better than send them as they were, since in no other way could I furnish the Government with so easy and ready a way of seeing what the evidence was against the manager, his assistants, and subordinates. It is possible that they may not have been forwarded from the Calcutta office to the Government on tour, but if they have, and are not considered sufficient, I would respectfully solicit further instructions as to what is required of me.

3. The Government will remember that there is yet another and more serious case pending against Mr. Dunne, arising out of the circumstances of the death of the boy, Sibburath's son; but it has been committed to the sessions, and has not yet been tried, and I have requested the Judicial Commissioner to forward me a copy of the trial so soon as it is completed. It was to have commenced this day, but there was some delay in getting the jury together.

4. Judging from experience of such cases, a conviction is not very probable. In Assam the life of a coolie hangs at best by a slender thread; with a climate that

that so saps his vitality, it fortunately takes very little to kill him; and the shock of such a flogging as would be elsewhere borne with impunity might there prove fatal. But it would be very difficult to prove that a mere flogging was the cause of death, in the absence of any signs that would not be effaced by decomposition, and considering that the prevalence of sickness among the coolies would always be a reason to refer a death to natural causes. Of the numerous coolies flogged by Mr. Dunne, there was very possibly not one who either just before, or at the time, or immediately after, had not been or was not suffering from fever, dysentery, diarrhoea, or spleen, all diseases of which coolies are constantly dying in the plantations

(No. 32.)

From *T. Jones, Esq.*, Assistant Secretary to the Government of Bengal, to the Agent, Governor General, and Commissioner of Assam (No. 2671); dated the 30th May 1866.

WITH reference to first paragraph of your letter, No. 199, dated the 9th instant, I am directed to state that the only documents received with your letter, No. 157, of the 9th ultimo, were letters specified in the margin. No copies, however, of the Deputy Commissioner's proceedings in the cases of the flogging of labourers in the Assam Tea Company's gardens, at Serajoolie, have yet been received from you, and I am therefore to request that they may now be forwarded.

Extract from Captain Lamb's diary for the week ending 12th March 1866.
Letter from Commissioner of Assam, to Deputy Commissioner, Durrung, No. 250, dated 17th March.
Letter from Deputy Commissioner, to Commissioner of Assam, No. 157, dated 23rd March.
Letter from Deputy Commissioner, to Commissioner of Assam, No. 166, dated 28th March.
Letter from Commissioner of Assam, to Deputy Commissioner, No. 338, dated 9th April 1866.

From Colonel *H. Hopkinson*, Agent, Governor General, North-East Frontier, and Commissioner of Assam, to the Secretary to the Government of Bengal (No. 207); dated the 19th May 1866.

Sir,

IN continuation of the subject of the correspondence noted in the margin, I have the honour to submit a communication from the Judicial Commissioner, No. 19, of 1866, forwarding his summing up, the finding of the jury, and the sentence in the case of the *Queen versus Dunne and Gowchar Cacharee*.

To Government, No. 157, dated 9th April 1866.
" " " " No. 170, dated 23rd idem.
From Government, No. 66 T, dated 26th idem.
To Government, No. 199, dated 9th May.

2. Dunne appears to have been tried upon two counts, 1st, with having caused "grievous hurt"; 2ndly, with having caused "hurt" only. He was acquitted on the 1st charge, and convicted on the 2nd, and sentenced to undergo imprisonment with rigour for one year, and to pay a fine of 500 rupees.

3. The circumstances that this case was tried by a Court of Sessions, with the aid of a jury, and that the utmost punishment the law allows for the offence was inflicted, may perhaps seem to invest it with greater importance, but otherwise there is nothing to distinguish it from the other cases of flogging by Mr. Dunne, except that the person flogged died—a feature, however, which is not regarded by the "Penal Code" as constituting a material ingredient in the offence.

4. The facts of the case are in accordance with the conclusion established by Captain Lamb's proceedings, viz., that at the gardens belonging to the Assam Tea Company at Serajoolie, in the Durrung District, flogging of the coolies has been habitually practised as a part of the system of management.

5. But the presentation made to the Judicial Commissioner by the foreman of the jury at the close of the trial of Mr. Dunne, copy of which accompanies Major Bivar's letter, and on which he comments, will further attract the notice of Government. It seems to hint that planters must yield to the irresistible temptation to flog, unless the Government interfere more actively in their behalf, and the foreman and jury recommend a sufficient number of magistrates, stipendiary or otherwise, within practicable distances of planters. In this suggestion I heartily concur. The system of tea planting, as now carried on in Assam by the aid of imported labour, does, in my opinion, require for its control, and in the interests alike of employers and employed, the establishment of an independent magisterial authority, wherever there are any considerable

plantations. The officer in whom this authority would vest, would be exclusively a plantation magistrate and *ex-officio* protector of coolies or inspector of tea plantations, within the limits of his special jurisdiction, and he would be called on to exercise the functions of his office only in respect to tea plantations, or in cases where planters and coolies were parties.

6. But I presume that the planters would be willing to bear the cost of such an establishment, or that the Government would require them to bear it, on the principle adopted in the case of the agency employed for the suppression of cotton frauds, which is paid for by those who desired or for whom it was established.

7. Thus, as Major Bivar proposes, another assistant commissioner might, with advantage, be placed at Bishnauth on account of the plantations there, but most certainly he would not be wanted except for the plantations; and it seems but reasonable, therefore, that the interest which require his presence should pay for it.

8. The tea planting interest in Assam is essentially a class interest, more so even than the cotton interest of Bombay, and it should not be confounded with the general interest of the people of Assam. The two interests often coincide, but they are not always inseparable, and sometimes they are mutually opposed, and on such occasions it is well if the public weal does not go to the wall. I am of opinion that the general administrative agency of the province might, with advantage, be less employed than it has been for sometime past in the performance of special duties connected with the tea plantations.

(A.)

From Major *H. S. Bivar*, Officiating Judicial Commissioner of Assam, to the Commissioner of Assam (No. 19); dated the 12th May 1866.

Sir,

IN connection with a case in which a man, by the name of Richard Edwin Dunn, was placed on trial before my court on the 8th and 9th instant, I have the honour to forward, for consideration, copy of a letter, which was handed to me, at the close of the trial, by the foreman of the jury.

2. I would beg to notice that the accused Dunn being a tea planter, an assistant in the Assam Company's tea plantation at Cheerajoollee, in Tezpore Durrung, I deemed it expedient to summon a jury composed of tea planters to try him.

3. I beg to annex, for your information, a copy of the summing up of the case, as also a copy of the verdict delivered by the jury, and the sentence passed by the court, from which you will see the circumstances of the case, and with reference to the case, in connection with the letter addressed me by the gentlemen of the jury, I would observe that although the paucity of magistrates may be a question for consideration, yet I do not see that the circumstances can be admitted as a cause for temptation to a planter to take the law into his own hands, instead of seeking legal remedy afforded by Bengal Government, Act VI. of 1865, which authorises planters to apprehend absconding labourers, and enact penalties for desertion, for absence, and for wilful negligence or indolence by labourers.

4. The case of the prisoner Dunn could not be worse than it is; and though it is not to be supposed that so honourable a company as the Assam Company in any way countenance such cruelty as the man Dunn, lately assistant in their garden, perpetrated, yet the fact of such atrocities having been committed, shows a most lamentable state of things.

5. I would venture further to observe that, perhaps, the appointment of another assistant to this district, or an experienced extra assistant commissioner, an officer who has passed the examination for assistants in both standards, would remedy disabilities. Such an officer would, I should think, be placed with advantage at Bishnauth; consequently, I venture to submit this point for your consideration.

(B.)

From *R. Bach*, Esq., Foreman, and others, to Major *H. S. Bivar*, Officiating Judicial Commissioner of Assam; dated the 9th May 1866.

Sir,

WE, the undersigned, constituting the jury empannelled to try the case of the Queen *versus* Dunn and Gowchar Cacharee, wish to record our deep regret that Government, in instituting laws for compelling the fulfilment of their contracts by coolies, have neglected to provide the means of carrying out the provisions of said laws. Many of the plantations on which coolies are employed are situated from 20 to 40 miles, and even more, from the nearest magistrate qualified to entertain charges of breach of contract (the scene of the present charge being 25 miles distant from the court), and, consequently, the laws are in such cases practically null and void. That no legal means being available for the protection of the employer, who has imported coolies at a large cost on the faith of their performing the agreement, there is great temptation for him (however averse he may be) to prevent heavy loss to himself by taking the law into his hands.

That the provision of a sufficient number of magistrates, stipendiary or otherwise, within practicable distances of planters would, in our opinion, prevent the recurrence of cases like the present, which cannot be too much deplored.

(C.)

DIRECTION.

Gentlemen of the Jury,

THE accused parties in this case, at the opening of the trial, stood charged with having, as set forth in the indictment, voluntarily caused grievous hurt to one, Jhowree, as also with having committed murder by causing the death of Jhowree; but the court, under authority vested in it by provision of Section 244 of the Code of Criminal Procedure, withdrew the charge for murder, altering it to a charge for hurt, being an offence described in Section 319 of the Indian Penal Code; and under the circumstances explained, what you have now to take into consideration is, whether upon the evidence, as placed before you, either of the charges has been made out against the accused parties. It having been certified that the attendance of the first witness for the prosecution, Senboruth, could not be secured, his evidence, as taken and attested by the magistrate in presence of the accused, has been read over to you, agreeably to provision, Section 369 of the Criminal Code Procedure, and you have seen that Senboruth deposed that in consequence of not getting enough to eat, he, with his son, the deceased Jhowree, and two others, ran away; that they were all brought back the next day by some Cacharees at about 10 a.m. on a Friday; that the accused, Dunn, came out with a cane and struck him, witness, and the others, knocking them down, and then tied first him, witness, up to a tree; next his, witness's, son, Jhowree, and then the others, one after the other, and beat all of them with his own stick, and then made a Cacharee duffadar also beat them.* Witness continued that whilst he was being flogged, the native doctor, who was standing by, said that he, witness, could stand no more; that he was then released, upon which the accused Dunn rubbed salt on his, witness's, wounds; that accused, Dunn, after tying Jhowree up to the tree, beat him with a thick cane and rubbed salt with his own hands. After this, witness says, he and the others were sent to work; that at noon they went to the lines, and that they returned to work again without food; that about 3 p.m. accused, Dunn, came to where Jhowree was sitting; that finding he was doing nothing, he struck him on his back with a stick, and then kicked him. Witness further stated that after this, at 5½ p.m., when work ceased, that his son returned to the lines, but did not eat anything, saying he had a pain in his stomach and back; that the following day Jhowree did not go to work; that when he, witness, returned to dinner at noon, Jhowree was still alive, but that about half-past 12 o'clock he died. The witness, Senboruth, concluded his evidence by saying that he and others removed the dead body, burying it on the opposite side of the stream; that his son had not been sick previous to the beating since his arrival in the garden in Magh, but had done work every day; and with reference to the flogging, witness deposed that his son was beaten on the bare back and the seat, and that the skin of his back was like his, witness's, back then was.

* He, witness, afterwards identifies as accused Gowchar Cacharee.

In support of the case for the prosecution, you have heard the depositions as made before you, of witnesses Hurro Sing, Biddessee, and of the native doctor, Mofaizee, and you have also heard, as read over to you, the statement of Ramdeen.

With reference to the first beating (when the four men, including Jhowree, were brought back), the whole of the witnesses named have told you, that the accused, Dunn, with a thick cane (Hurro said as thick as his forefinger, and the others made a circle with their fingers showing the size of the cane) beat the four men, including Jhowree; Mofaizee says severely. The three witnesses, Hurro, Ramdeen, and Biddessee, then state that accused, Dunn, with his own hands, tied up the men in succession to the tree. Mofaizee says that accused, Dunn, caused the men to be tied up to the tree by accused, Gowchar Cacharee; and Hurro and Ramdeen say that accused, Dunn, beat them all when tied up; but Biddessee and Mofaizee represent that accused, Gowchar, by order of Dunn, beat them

them when they were in that position. I have to observe further that all the witnesses state that after the flogging the accused, Dunn, himself put salt on the wounds of the men flogged.

Next, as to the native doctor (being as stated by witness No. 1, Senboruth, present at the flogging), I notice that witness Hurro does not corroborate this, but that Ramdeen and the native doctor himself do; and as to Biddessee, I have to remark that, though before the magistrate he stated that the native doctor was present, yet he now says he did not see him. With regard to the native doctor's statement, it is to be recollected that he states that when Senboruth, witness No. 1, who was tied up by the hands, began to droop, accused Dunn caused him, the witness, to feel the man's pulse, and upon his, witness, saying that the man had become weak, and that two more stripes would kill him, Senboruth was loosed.

The matter of the second beating alleged to have taken place at 3 p.m., has now to be considered. The witness Senboruth, you will recollect, said that accused Dunn, on the occasion referred to, struck the deceased Jhowree with a stick and kicked him, and on this point Hurro has told us that accused Dunn beat deceased with a cane, striking him on the back and on the buttocks. Ramdeen stated that accused Dunn struck the deceased on the back and kicked him on the breast; and Biddessee, though he deposed before the magistrate that accused Dunn at 3 p.m. struck deceased Jhowree with a cane forty stripes, yet he now says that, owing to the infliction of the first hurt, accused Dunn only gave Jhowree a few cuts.

With regard to the condition of Jhowree after the beating, Senboruth, the first witness, stated he, Jhowree, returned to the lines at 5½ p.m. Hurro declares that after the three o'clock beating, Jhowree began to work again; and at sunset he went home and became ill. Ramdeen stated the boy could work no more, and remained sitting down till evening. Biddessee says, Jhowree remained till evening, when he was assisted to the lines by Senboruth Sirdar; and witness Mofaizee, the native doctor, says that at 4 o'clock, before the whole of the labourers left, he saw Jhowree assisted to the line by Senboruth Sirdar.

Following upon the above comes the question of the demise of the deceased. Witness Senboruth, as I have already explained, stated that after deceased returned to the lines in the evening, that he took no food, and that he died the following day about half-past 12, and with reference to this point, witness Hurro says, that deceased did not return to his work on Saturday; that when he, Hurro, went with the other coolies to take his meal, he heard Jhowree's father crying; that he went and he saw Jhowree lying prostrate with his stomach swollen, and that he expired. Ramdeen stated, "on the following day did not see him (Jhowree) again at muster or at work at noon on our return; the boy died." Biddessee says, "I did not see Jhowree die, but I heard his father crying; I went to the house and saw that Jhowree was dead;" and deposing to the same matter, though the witness, whose statement I have noticed, make it out that Jhowree demised on the day following upon the beating; yet the native doctor Mofaizee says: "The next day early, at five or six o'clock, when, according to custom, muster was taken, I saw all four men, including Jhowree. This was on the 22nd February; after this on the 24th Jhowree came to me and said he had a looseness; had been moved twice. I then gave him two powders, compound chalk and opium, and sent him to the lines; after this, at eight or nine o'clock, I went to the lines to see him; he said he had vomited twice a little; upon this I gave him cholera elixir. I then went and reported to the accused Dunn that the lad he had beaten had become in consequence confused (Ghabrai Gya) and was sick. I then explained, on being questioned, that the lad had been purged twice, and had been twice sick; to which accused remarked that the lad had got cholera, and he (accused Dunn) directed me to enter the case as one of cholera. I then went again to the lines and saw that Jhowree was suffering from congestion of the kidneys, that he could not make urine, and that his stomach was swollen; after this Jhowree died at 12 o'clock. I am of opinion that Jhowree died in consequence of the beating which had caused him to be confused."

After the death of Jhowree, Senboruth, first witness, deposed that with the assistance of Hurro Sing, Ramdeen, and Sootee, the corpse was buried about 150 yards to the east of the lines on the opposite of the stream; and Hurro Sing, in deposing to the same point, says that he assisted in burying the body on the river bank on the east side of the river; that about sixteen days afterwards a Government officer came, and that the dead body of Jhowree was disinterred and was brought to the station, and Ramdeen deposed, we buried him on the opposite side of the river from the lines. I assisted in exhuming the body from the same place, and I can positively state it is the same body which we buried there some 22 days previously; and Biddessee says, "we then took up the body and buried it on the river bank to the south of the lines, on the south side of the river." That the head police sahib mounted upon an elephant went, and upon his, witness, showing where the body had been buried, it was exhumed; that he, witness, Biddessee, Ramdeen, Jootee, and Hurro Sing disinterred the corpse, which was then taken to the lines, where it was kept under the care of the police, and was afterwards brought to the station here by coolies.

I have now to draw your attention to the evidence of the civil surgeon, Dr. Imthurn, whose statement, as taken and duly attested by the magistrate, had been received as *prima facie* evidence agreeably to Section 368, Criminal Code of Procedure. The doctor has told us that he examined the dead body of an adult male of probably from 14 to 20 years of age, on the 17th instant (March); that all the soft parts from the right shoulder to the right wrist were missing; that he noticed on the neck and the right shoulder lacerations which showed distinct traces of the teeth of animals; that the body, which must have been interred with the right side uppermost, that this side was in such an advanced state

of decomposition that it was utterly impossible for him, Dr. Imthurn, to state whether any wounds or bruises had been inflicted on that portion of the body; that on the small of the back, he, Dr. Imthurn, noticed the mark of a bruise very slight, circular, and about two and a half inches in diameter; that he found the muscles not to differ from other parts of the body; that they were, as far as the state of the body would allow him to judge, healthy; but in the same place, he, Dr. Imthurn, observed laxation or dislocation of the spine between the third and fourth *lumbar vertebrae*, but no fracture of the *vertebrae*; that the body was in such a mutilated state that he was unable to state the cause of death; but that he was convinced, however, that the man did not die of spasmodic or epidemic cholera, as also that he did not die of any long-lasting and exhausting disease.

Again, I have to call your attention that, when cross-examined, the medical officer has told you that the second injury he noticed was a bruise or mark of contusion on the back, which he considered slight, and inflicted by a heavy instrument with smooth surface; as also that the part which he observed, namely, the laxation of the fourth *vertebrae*, was most likely inflicted with a similar instrument; that this injury might have proved fatal, but that it would not of necessity have proved so, and Dr. Imthurn, when questioned to the point, has explained to you, that he cannot say that the body was in such a state of preservation as would have enabled it to have been identified.

I have here to notice other minor points in connection with the case for the prosecution; you have heard that previous to the beating the deceased Jhowree was in good health; you have also heard that the accused Dunn has been convicted in several other cases of assault on coolies under him; it has been stated that he is a man of angry temper, and one man, witness Hurro Sing, showed his back which is scarred with stripes of a flogging, which he has told us was inflicted by the accused Dunn.

Lastly, agreeably to provisions of Section 366, Criminal Code of Procedure, the statements as made by the accused parties before the magistrate have been read over to you in evidence, and I have to observe in respect to the examination of the accused parties as referred to, that accused Dunn, though denying that he inflicted punishment, yet he admitted that according to orders previously received from the manager, Mr. Donald, in such cases, he passed orders to the other accused Gowchar Duffadar to punish witness, Senboruth, with a cane as usual; that the accused Dunn was sick at the time, and only saw portion of the punishment inflicted on the complainant; that both complainant and his son were tied one after the other to a tree; that he, accused Dunn, was not sure whether he inflicted any of the stripes himself, and that the native doctor was present when the complainant and his son were flogged; and in respect to the examination of Gowchar Cacharee you have heard that he stated that he beat the complainant and his son and Podaruth and Bhodai under orders from the accused Dunn; that out of the four men he, accused Gowchar, had heard that one was dead; that he, accused, beat the men with an ordinary cane, and that accused Dunn rubbed salt on all their wounds; such, I would observe, is a summing up of the case for the prosecution. I now take up the defence.

The accused Dunn has urged, in his defence before you, that in answering in the affirmative to questions put him by the Deputy Commissioner regarding the complainant's son, he, accused, went upon the supposition that one of the deserters was his son, but that he, accused, was not sure he had a son or was even at all aware of it; that in saying that the complainant and his son were tied up one after another, he (accused) said so, because each deserter was tied up in succession, and not that he could recognise the complainant or his son from the other two; accused Dunn continues, that the mode of punishment awarded to deserters or others, who did not complete their work, was ordered by the manager; that he, Dunn, used to pass on that order as the manager's assistant; moreover, that it was also by the consent of the men generally in his, Dunn's, garden, who preferred flogging to being fined; that he, Dunn, after the arrival of the coolies, designated as the new batch, spoke to them kindly, telling them what they could expect if they gave satisfaction, and what for dissatisfaction; that he explained fully the punishment deserters usually received, but that if they preferred being fined he, accused, had no doubt the manager would fine them. Accused Dunn has stated further that when he punished the men it was with no intention to hurt them grievously, neither was he aware that it was likely to lead to that; that since he, Dunn, had been in charge of the garden he only on one occasion saw a man with sores on his back, which the man said was the effect of a caning; that he, accused, immediately took the man to the native doctor, that the man alluded to was able to work, that this was on the 25th February; that he, Dunn, came to Tezpore sick on the 27th; that when deserters were brought back to the garden they were tied up by the duffadars, and were flogged by them; that it was usual for the native doctor on such occasions to be present to see that they, the men, flogged, did not receive too many stripes; and lastly as regards the matter of the salt, accused Dunn has stated that he sprinkled a pinch of it on the wounds of the first man beaten, and that blood having got on his little finger he went away to wash his hands, and left the rest to the native doctor.

Next, accused Gowchar or Gamchar Cacharee, the duffadar, has admitted in his defence that he flogged Senboruth and his son, the deceased Jhowree, but he says he did so by order of accused Dunn. He, Gowchar, represents he was at work on the new bungalow, that Dunn called him, that he saw that Senboruth and his son had been beaten and had been thrown down in front of the bungalow, that accused Dunn then tied them one after another to a tree, and having struck the first man a few stripes, Dunn became tired and ordered him, accused Gowchar, to flog, that he did so lightly; upon which Dunn gave him

him a cut; that on this he, Gowchar, struck harder and flogged all in the same way; that Dunn loosed the men, and having made them sit down, put salt on their wounds with his own hands.

Four witnesses were cited by accused Gowchar and all were present; one of them, who has been examined, has corroborated Gowchar's statement, and the remainder have not been called, as he, Gowchar, represented that he did not wish any more to be examined.

Such, gentlemen of the jury, is the summing up of the evidence in this case, and in connection with it, I have here to draw your attention to the matter of the charges upon which the accused has been brought to trial.

I here read over to you Sections 319 and 320 of the Indian Penal Code, from which you will comprehend the difference between hurt and grievous hurt; I also here read over to you Sections 321 and 322 and 39 of the Indian Penal Code, in which the term "voluntarily" is defined. I would notice that in law it is assumed that a man knows and contemplates the natural results of his acts, and as to intention, the meaning of the term in its legal sense is a wrongful act done without just cause or excuse, that is to say, it consists in a conscious violation of the law to the prejudice of another. The gentlemen who have taken up the case for the defence have, in their address, said that perhaps the body of the deceased might have been dropped on a bamboo or a piece of wood before death, and hence the bruise noticed by the medical officer. They have also raised question as to probabilities as to caste prejudices in connection with the burial of the deceased, and I would notice that we have no evidence in support of such arguments. Again, the deceased Dunn is alluded to as a European, but I would inform you that he elected to be tried, and that he is not a European British subject. Lastly, as to the matter of want of time to prepare defence, I would observe that such a plea cannot be admitted, inasmuch as the accused parties were committed to the sessions on the 21st March, and they have since been at large on bail. I do not think that any further remarks from me are necessary. I read you Section 352 of the Criminal Code of Procedure, under provision of which I now leave you to consult on your verdict, and I would observe that if you are satisfied with the evidence that it establishes either one or both the charges against the accused parties, it will be your duty to find them guilty, and, if otherwise, you will be bound to pronounce them not guilty.

Tezapore, 9 May 1866.

(signed) *H. S. Bivar,*
Officiating Judicial Commissioner.

(D.)

SECTION 352 of Criminal Code of Procedure is here read over at 2 p.m. to the jury, and the Court is cleared in order that they may consider their verdict.

At 5 p.m., the foreman having intimated that the jury are ready to deliver their verdict, the Court is re-opened.

According to the section on the question being put to the jury as to whether they are unanimous, the foreman states that a majority of the jury, six out of seven, find the accused parties not guilty on the first charge for voluntarily causing grievous hurt, but that the jury are unanimous in their verdict of guilty against the accused parties on the second count for voluntarily causing hurt, and in delivering this verdict the foreman adds that the jury are unanimous in recommending the accused Gowchar Cacharee to the mercy of the Court, inasmuch as it appeared that he had acted under the orders of others.

With reference to the verdict, as given, the Court records it as follows:—

(E.)

FINDING AND SENTENCE.

THE jury are unanimous in finding that Richard Edwin Dunn and Gowchar Cacharee are guilty of the offence specified in the second count of the charge, namely,—

That they, Richard Edwin Dunn and Gowchar Cacharee, on or about the 21st day of February 1866, at Cherajoollee, voluntarily caused hurt to one Jhowree, the said hurt not being caused on grave and sudden provocation as in the case provided for by Section 334, Indian Penal Code, that is to say:—

That they did not voluntarily cause hurt to Jhowree on grave and sudden provocation, they neither intending nor knowing themselves to be likely to cause hurt to any person other than the person who gave the provocation, and that they have thereby committed an offence punishable under Section 323 of the Indian Penal Code; and the Court directs that the said Richard Edwin Dunn be sentenced to undergo imprisonment with rigour for one year, and to pay a fine of 500 rupees (five hundred), and in default of payment, according to Sections 65, 69, and 70 of the Indian Penal Code, to suffer further imprisonment of a similar description for three months, and that Gowchar Cacharee be imprisoned, with rigour, for six months.

A majority of the jury, six out of seven, are further unanimous in finding that Richard Edwin Dunn and Gowchar Cacharee are not guilty of the offence specified in the first count of the charge, namely:—

That they, Richard Edwin Dunn and Gowchar Cacharee, on or about the 21st day of February

February 1866, at Cherajoollee, voluntarily caused grievous hurt to one Jhowree, without grave and sudden provocation provided.

First.—That if given it was not sought or voluntarily provoked by Jhowree as an excuse for harming him.

Secondly.—That it was not given by anything done in obedience to the law or by a public servant in the lawful exercise of the powers of such public servant.

Thirdly.—That it was not given by anything done in the right of private defence, and that they have thereby committed an offence punishable under Section 325 of the Indian Penal Code, and the Court directs that the said Richard Edwin Dunn and Gowchar Cacharee be acquitted of that offence.

(signed) *H. S. Bivar,*
Officiating Judicial Commissioner.

Tezapore, 9 May 1866.

From Colonel *H. Hopkinson*, Agent to the Governor General, and Commissioner of Assam, to the Secretary to the Government of Bengal (No. 241); dated the 12th June 1866.

Sir,

I HAVE the honour to acknowledge the receipt of your letter, No. 267, dated 30th ultimo, and in reply, beg to state that the copies of Captain Lamb's proceedings in the Serajoolie coolie flogging cases, therein referred to, cannot be found in this office; and by the entry in the despatch book, as also the docket note on Captain Lamb's letter forwarding them, it would appear that they were sent on with the enclosures of my letter, No. 157, dated the 9th April last; I beg, however, to report that I have this day called on the Deputy Commissioner of Durrung to send me, by return of post, second copies of the proceedings in question, and as soon as they reach me, I will forward them on to you.

From Lieutenant-Colonel *H. Hopkinson*, Agent, Governor General, and Commissioner of Assam, to the Secretary to the Government of Bengal (No. 259); dated the 22nd June 1866.

Sir,

WITH reference to the correspondence noted in the margin, I have the honour to submit the accompanying copies of cases in the matter of the flogging of the Serajoolie coolies; there are two cases still to come, which I will forward so soon as I receive them from Captain Lamb, but those now sent will perhaps afford the Government all the information.

2. Case No. 56, in which the woman Beebeejan is complainant, is that which has appeared to me most revolting in its details.

From Secretary to Government, Bengal,
No. 166, dated 26th April 1866.
To Secretary to Government, Bengal, No. 199,
dated 9th May 1866.
Government of Bengal, letter No. 2,671,
dated 30th ultimo.
This Office letter to Government, No. 241,
dated 12th instant.

Case No. 45.	Case No. 52.
Accused, Mr. Dunn.	Accused, Mr. Dunn.
Case No. 48.	Case No. 56.
Accused, Mr. Dunn.	Accused, Mr. Dunn.

(No. 45, of 1866.)

No. 133.—*Lalldawa*, caste Goallah, sworn,—States that he has been beaten for not fulfilling his task of 20 tarhs in heavy jungle, and gets short rations, $\frac{3}{4}$ seers being full rations, and getting less for short work; being insufficient, he ran away with Hurro Sing, Bhodaie, and others, and was captured and brought back by Cacharees, tied to a tree and beaten by the European in charge of the garden. Was beaten in Phalagoon, and the marks on his back and seat were then caused with a cane. Prays to be released from his contract.

14 March 1866.

(signed) *Thomas Lamb*, Deputy Commissioner.

The man states that he has been told that the garden is a Government concern, "Company Bahadoor" being the expression. Complaint read over to the accused, who denies that the man ever had short rations. The man ran away two days after his arrival, and during these two days he had only 10 and 12 tarhs respectively to hoe of light jungle. When he was brought back again, he was punished agreeably to the general instructions I had previously received from the manager. The wounds have healed, but the marks may be the result of that beating.

22 March 1866.

(signed) *Thomas Lamb*, Deputy Commissioner.

The accused admits having flogged the complainant for deserting under the instructions of the manager, who was not, I gather, present at the time. The flogging does not seem to have been severe.

The Court finds that Richard Edwin Dunn has used criminal force, and has thereby committed an offence punishable under Section 352 of the Indian Penal Code, and directs that the said Richard Edwin Dunn be fined 10 rupees, to be levied by distress.

23 March 1866.

(signed) *Thomas Lamb*, Deputy Commissioner.

(No. 48, of 1866.)

No. 137.—*Juggernath*, caste Goalah, sworn,—States that he ran away from the Tea garden at Cheerajoollee, in Phalagoon, about the 15th; was caught and brought back by some Cacharees on the second day after, and was tied to a tree as others were, and beaten with a cane by the European who lives in Cheerajoollee garden; and two days after, because my task was not completed, I was flogged again. On both occasions my hands were tied and drawn upwards, the rope being over the branch of a tree, and my feet tied and remaining on the ground. The native doctor was by, feeling our pulses. I don't know the assistant European's name. It is like Dollon. Prays to be released from his contract.

14 March 1866.

(signed) *Thomas Lamb*, Deputy Commissioner.

(No. 53, of 1866.)

No. 143.—*Lalloo*, caste Goalah, sworn,—States that he did short work on one occasion, *i. e.*, less than 20 tarhs of jungle clearing by order of the assistant in charge of the old garden (Cheerajoollee), and ran away to the Brahmapootra, where he wanted to cross over, but was caught by some Cacharees and taken to the manager at Singree, who had him beaten in his presence, and then took him to Cheerajoollee; when he left, the assistant had him tied up to a tree and beat him again, though his wounds were still fresh. Bhodaie and Lalldawa absconded with me, and were captured afterwards.

14 March 1866.

(signed) *Thomas Lamb*, Deputy Commissioner.

Prays to be released from contract.

16 March 1866.

(signed) *Thomas Lamb*, Deputy Commissioner.

Complaint read over to the accused, who denies all recollection of such an occurrence; does not recognise the man as being one of his coolies. He might be employed in our gardens, but accused cannot recollect having had any one flogged who had fresh sores on his back. I have had occasion to punish so many for running away, that although I am not in a position to admit having flogged the complainant, I am not prepared to deny the fact. The task would depend on whether they were clearing on new or old cultivation. 20 tarhs would be of light jungle, and if the man was unable to perform his task he should have applied to the native doctor who lives on the Cheerajoollee garden, and had express instructions to decrease the allotted task when the men were too weak or otherwise indisposed in body to perform the whole.

22 March 1866.

(signed) *Thomas Lamb*, Deputy Commissioner.

Mr. Donald having been questioned denies all knowledge of the occurrence alluded to in the complaint, and further states his inability to recall such a circumstance to mind.

(signed) *Thomas Lamb*, Deputy Commissioner.

I am not inclined to credit this man's complaint so fully as the rest; he has been flogged doubtless while under the charge of the accused, for the marks on his back prove the fact. Out of so many men as are employed and working under Mr. Dunn, who have not been long in the garden, it would be strange if he could identify all the men who appear with marks of a beating on their backs. Acting under the general instructions from his manager, he punished all deserters: this, however, does not exonerate him, for he should not carry out illegal orders, such as Mr. Donald gave him, regarding the punishment of deserters.

The Court finds that Richard Edwin Dunn has used criminal force, and has thereby committed an offence punishable under Section 352 of the Indian Penal Code, and directs that the said Richard Edwin Dunn be fined 20 rupees, to be levied by distress.

Tezporé, 23 March 1866.

(signed) *Thomas Lamb*,
Deputy Commissioner.

(No. 56, of 1866.)

No. 146.—*Musst. Beebeajan*, caste Mussulman, sworn,—States that she is unable to clear the full amount of heavy jungle, and she was therefore beaten by a duffadar in the presence and under the order of the assistant in charge of the garden. I work in the same garden as Balgobind, Juggernath, and others, and ran away with them, and when brought back was tied to a tree and beaten, and these marks on my back and shoulders are the result of that beating. Prays to be released from her contract.

14 March 1866.

(signed) *Thomas Lamb*, Deputy Commissioner.

The substance of the complaint was read over to the accused, who admits having ordered the woman to receive six stripes with a cane, and saw them inflicted, directing the duffadar in gentle tones or a subdued voice to strike lightly, my object being to frighten her. I heard from Mr. Donald, the manager, that the woman had been punished again, that is, after I left the garden and had come into the station sick. The marks on the woman's back were not caused by the beating I had had inflicted. I cite Mr. Donald as my witness on this point. The woman had absconded three times before she was punished at all.

22 March 1866.

(signed) *Thomas Lamb*, Deputy Commissioner.

Mr. *R. Donald* called, and sworn,—States, that he recognizes the complainant, and says he can account for the woman having marks on her back. I saw six or

Only after he had seen the woman receive six or eight strokes did it occur to him to interfere.

objected to it, saying that the woman was *in such a way*, that I had never seen any woman touched, and I had never given orders for any woman

H. Hopkinson, Commissioner.

to be touched, and I would not allow it. The woman was there and then released.

This was probably on or about the 1st or 3rd of February in the Cheerajoollee garden.

After the 27th February, when the assistant Dunn came into the station sick, the complainant ran away, and when brought back was beaten by the man who brought her

in I presume, because I gave him nothing for his trouble. I threatened the man then for

beating her, but did not punish the woman. The strokes Mr. Dunn gave her did not

cause any wounds. The woman must have been beaten by some one

after both these occasions, for no wounds were caused by any of the

stripes I witnessed; no complaint of ill-treatment has been made to me by

Why did he witness any stripes?

H. Hopkinson, Commissioner.

any of the coolies on the estate. I inspected the coolies on the Cheerajoollee garden on

the 28th ultimo, the day after Mr. Dunn left, and received no complaints; I saw them

all mustered before me. I did not examine their bodies. I never inspected the Kapa-

heepookree and Dhir gardens coolies at all until I heard of these complaints being

lodged. I used to go there to give any orders that might be required every two or three

days, and never received any complaints in either of the gardens from the coolies.

Did you ever give Mr. Dunn, or any one employed in your gardens over the Bengalee

coolies, instructions or authority to flog any coolies who absconded? On the question

being again read over to the witness, he denies having given such instructions.

Did Mr. Dunn ever receive orders from you to punish coolies who deserted? Never.

Did you ever give Mr. Dunn orders to punish the ringleaders or (to use his own words)

"to give a jolly good welting to the ringleaders" who deserted and put the others up to

desert? Very likely I did, I might have said "to give them a jolly good welting," for

that is one of my words. Though I don't remember mentioning it, though I am not pre-

pared to deny it. I was never present when any of the coolies were beaten, and I did not

know of their having been beaten.

Certified that the evidence was read over to the witness in English.

I wish to add that by the words "the woman was in such a way," I intended to convey

that "I thought the woman was with child," and I objected to her being

touched directly I saw the assault committed. On the 21st March (or

29th February, as the deponent says), I inspected the Cheerajoollee

gardens, but not the coolies at either Kapaheepookree or Dhir gardens.

Certified that the evidence was read over to the witness in English, and acknowledged

by him to be correct.

22 March 1866.

(signed) *Thomas Lamb*, Deputy Commissioner.

Accused admits having ordered the woman to be beaten and saw the punishment in-

flicted. Her back is covered with sores, which are apparently the results of strokes with

a cane. Some of these may have been caused by the second beating Mr. Donald

alludes to.

The Court finds that Richard Edwin Dunn has used criminal force, and has thereby

committed an offence punishable under Section 352 of the Indian Penal Code, and directs

that the said Richard Edwin Dunn be fined rupees (30) thirty, to be levied by distress,

commutable in default to one week's simple imprisonment.

(signed) *Thomas Lamb*, Deputy Commissioner.

(No. 55, of 1866.)

No. 145.—*Podarut*, caste Mochee, sworn,—States, we receive only $\frac{3}{4}$ seer of rice without salt, oil, &c. and if we fall two tarhs short in our task work, *i. e.* of twenty tarhs, we are beaten. For these reasons I ran away with Seeborath and others some nineteen days ago, and were caught and brought back by Cacharees, and beaten by the European who lives in our garden alone, and manages the business there. He tied us up to a tree one after another, and beat us himself and made his duffadar beat us, and had salt rubbed into our wounds by the native doctor.

14 March 1866.

(signed) *Thomas Lamb*, Deputy Commissioner.

We met the assistant on our way in yesterday, and he threatened us that on our return to the garden we should be again beaten. I pray to be released from the contract.

14 March 1866.

(signed) *Thomas Lamb*, Deputy Commissioner.

Complaint read over to the accused Dunn, who admits the truth of the complaint as regards the beating, but urges that they have food sufficient to satisfy their own wants, but try to get more to raise money with the surplus.

21 March 1866.

(signed) *Thomas Lamb*, Deputy Commissioner.

(No. 54, of 1866.)

No. 144.—*Bhodai*, caste Mochee, sworn,—States, that some nineteen days he was severely beaten by the European in charge of the Cheerajoollee garden, and the marks on his person were caused thereby.

He was unable to perform the task of twenty tarhs, and was accordingly beaten and ran away, and was captured and brought back by some Cacharees, and tied to a tree and beaten. We all showed our wounds to the manager about twenty days ago, but gained nothing by it. We receive $\frac{3}{4}$ seer of rice daily but no condiments, such as dal, huldee, oil, salt, &c. Prays to be released from the contract.

14 March 1866.

(signed) *Thomas Lamb*, Deputy Commissioner.

Complainant explained to the accused Dunn, who admits the truth of the complaint regarding the beating, but urges that the coolies have sufficient food for their own wants, but try to get more in order to raise a little money on the surplus.

21 March 1866.

(signed) *Thomas Lamb*, Deputy Commissioner.

(No. 60, of 1866.)

No. 124.—*Ramdyall*, caste Bhooyah, sworn,—States, he had 20 roods of land to clear, and got too little to eat ($\frac{3}{4}$ seer of rice daily), and therefore ran away; was caught and taken back by some Cacharees, who were rewarded with five rupees for each coolie; and I was sent to Cheerajoollee garden with the other eight who absconded with me, and beaten by the native doctor, under orders given by the European assistant, who was present at the time. I was not beaten in Kapaheepookree garden, but I saw the others beaten. On the third day after, the European doctor(?) came to Kapaheepookree, and beat us all again, having tied us to trees. Two other Europeans were with him. They came from Singree, and I believe all belong to the garden.

13 March 1866.

(signed) *Thomas Lamb*, Deputy Commissioner.

(No. 61, of 1866.)

Names,—*Hurro Sing*, *Joothee*, *Roghoo*; Castes: Chuttree, Bhooya, Kamar.

The above complainants sworn, state that they all ran away together because they were warned that unless they did their full task, they would be flogged on the following day. We were brought back on the following morning, and beaten by the assistant in charge of the garden. We had worked about 15 days before running away in Phalagoon. Hurro Sing was a sirdar; and seeing that the men were beaten I took fright and ran away; was told to see the coolies under him do their full work.

22 March 1866.

(signed) *Thomas Lamb*, Deputy Commissioner.

Complaint read over to the accused, who admits that the men were beaten with a cane when brought back to the garden, but denies that they had any just reason for absconding. The marks are probably the result of that beating.

22 March 1866. (signed) *Thomas Lamb*, Deputy Commissioner.

The marks on Joothee are scarcely perceptible, and on the others all healed.

22 March 1866. (signed) *Thomas Lamb*, Deputy Commissioner.

The accused admits having beaten the complainants, and I cannot admit that the reason assigned is valid. Although the coolies may not have had cause to desert, the law does not allow individuals or employers to inflict punishment, as was done in this instance. The beating was not severe.

The Court finds that Richard Edwin Dunn has used criminal force, and has thereby committed an offence punishable under section 352 of the Indian Penal Code, and directs that the said Richard Edwin Dunn be fined 20 rupees, to be levied by distress.

23 March 1866. (signed) *Thomas Lamb*, Deputy Commissioner.

(No. 67, of 1866.)

No. 138.—*Bustub*, caste Khandait, sworn: States the assistant in charge of the garden in which I work gave me a beating with a cane for doing short work, and I ran away with Juggernath and six others. We were all caught and brought back together by some Cacharees, and were tied up to a tree and beaten by the doctor who lives in the Cheerajoolie garden alone. The other Europeans live at Singree. The wounds on my back are healed, but they were caused by the cane in Phalagoon when Juggurnath and the others were beaten. The same European is in charge of the Kopaheepookree garden. I was afraid to complain to the manager at Singree, as the assistant would beat me again.

14 March 1866. (signed) *Thomas Lamb*, Deputy Commissioner.

(Emigration.—No. 3700.)

From *A. Mackenzie*, Esq., Officiating Under Secretary to the Government of Bengal, to the Commissioner of Assam.

Sir,

Fort William, 27 July 1866.

I AM directed to acknowledge the receipt of your letters noted on the margin, submitting reports on the results of judicial investigation into several cases of flogging of labourers in the Assam Company's tea gardens at Cherrajoolie, in Zillah Durrung, in which the principal party concerned is one Richard Edwin Dunn, late an assistant in the Company's service.

No. 207, dated 16th May 1866.
No. 241, dated 12th June 1866.
No. 259, dated 22nd June 1866.

2. In reply I am to say, with reference to your previous letters* on the subject, that the Lieutenant Governor quite agrees with you in thinking that all the labourers whom the Deputy Commissioner of Durrung reported on the 28th March last as having been flogged should have been released from their contracts under section 32, Act 6, B.C. of 1865. Captain Lamb's reason† for not following this course is, that section 32 "in one part requires that the employer, &c., should be twice convicted of the same offence before a magistrate." But it is clear that the facts, as brought to notice by Captain Lamb himself, establish a case of "gross ill-usage," a valid reason in law for release from contract. Moreover, if the reason assigned by Captain Lamb had really precluded him from releasing those whose sores had healed, he would have been equally precluded from releasing those whose backs were still raw from flogging, but in respect of whom Dunn had only been once convicted. On this point Captain Lamb should be called upon to furnish a full explanation; and he should also be directed now to offer the option of release to all who have been judicially proved to have suffered flogging. His Honor concurs with you that the punishment of fine awarded in the cases disposed of by Captain Lamb was quite inadequate to the heinousness of the offence.

*No. 157, dated 9th April 1866.
No. 170, dated 23rd April 1866.

†See his letter No. 202, dated 14th April 1866, paragraph 2.

3. It appears from the concluding portion of Major Bivar's direction to the jury in his Court on the 9th May, that both Dunn and his accomplice, Gowchur

Cacharee, were allowed to be out on bail from the 21st March to the 8th May. His Honor desires an explanation on this point, as both parties had been committed on a charge of murder, a non-bailable offence.

4. His Honor thinks that Major Bivar acted unwisely in striking out the charge of murder, without at least substituting that of culpable homicide. His reason for appointing a jury consisting entirely of planters is manifestly unsound. Major Bivar was also apparently wrong in admitting at the trial in his Court evidence of previous convictions for assault and general repute for bad temper against the prisoner Dunn. A copy of his direction and judgment will be forwarded to the High Court for such action as the honourable judges may think proper to take.

5. With reference to the 5th and 7th paragraphs of your letter of the 19th May, his Honor desires me to ask whether, in your opinion, it is not desirable that the protector of labourers in Upper Assam should be invested with magisterial powers for the adjudication of disputes between planters and labourers. An application will be made to the Government of India for the appointment of an Assistant Commissioner to take charge of a sub-division with headquarters at Bishnath; and this officer, if his appointment be sanctioned, will also be *ex officio* protector of labourers, half his salary being paid from the Labour Transport Fund.

6. A copy of the correspondence has been forwarded to the Landholders' and Commercial Association, and also to the Assam Tea Company, with an intimation to the latter that his Honor will be glad to hear that they have issued such such stringent orders to their managers as will prevent the repetition of any such disgraceful outrage for the future, and that they have taken proper notice of the conduct of their manager, Mr. Donald.

7. I am to add that the Lieutenant Governor awaits the result of the inquiries referred to in paragraph 4 of your letter, No. 157, dated 9th April 1866.

I have, &c.
(signed) A. Mackenzie,
Officiating Under Secretary to the
Government of Bengal.

From E. C. Bayley, Esq., Secretary to the Government of India, Home Department, to the Officiating Under Secretary to Government of Bengal (No. 4433); dated Simla, 11th September 1866.

I AM directed to acknowledge the receipt of your letter, No. 3703, dated the 27th July, submitting copy of a correspondence containing reports of judicial investigations into several cases of flogging of labourers on the Assam Tea Company's gardens at Serrajoollee in Zillah Durrung, and recommending the appointment of an Assistant Commissioner to be posted at Bishnath in charge of a sub-division.

2. In reply I am directed to state that the Governor General in Council sanctions the appointment of an additional Assistant Commissioner, and approves of the suggestion that the officer holding the appointment should be *ex officio* protector of labourers, half his salary being paid from the Labour Transport Fund.

3. With regard to the case which forms the subject of your letter, I am directed to state that the Governor General in Council entirely agrees with the Lieutenant Governor in condemning Captain Lamb's treatment of so gross an outrage as very unsatisfactory. It is not apparent why the convictions of Mr. Dunne for the many brutal assaults which he committed, were all under section 352 of the Penal Code, instead of under section 323; and, in any case the punishment of fine awarded in the cases disposed of by Captain Lamb was, as stated by the Lieutenant Governor, quite inadequate to the heinousness of the offence. The circumstance that Captain Lamb, at or about the same time, committed Mr. Dunne to the sessions, affords no excuse for the insufficient punishment which he awarded in the cases which he himself tried. And as to the

the petty fines which he imposed, it is obvious to remark that, in such a case, fines of so trifling a character could not be likely to prove really punitive, it being improbable that, even such as they were, they would practically fall upon the actual offender who, it was evident, had acted more or less under the general sanction of the manager in flogging the coolies.

4. I am desired to suggest that the papers of this case may with advantage be published in the Supplement of the "Calcutta Gazette."

No. 4434.

Copy of paragraphs 1 and 2 forwarded to the Financial Department, for information and further orders.

From *E. C. Bayley*, Esq., Secretary to the Government of India, Home Department, to the Officiating Under Secretary to the Government of Bengal (No. 4435); dated Simla, the 11th September 1866).

REFERRING to my letter, No. 4433, of this day's date, I am directed by the Governor General in Council to request that the Lieutenant Governor will consider generally, with reference to the present circumstances of Assam, whether the strength of the civil administration is sufficient, or whether his Honor deems the condition of the province to be such as to call for a further increase of the magistracy.

2. As a general representation, apart from the case with which it was connected, the Governor General in Council thinks that the presentment made to the Judicial Commissioner by the jury who tried the prisoner Dunn, is deserving of careful consideration. It is, no doubt, a great evil that the English agents of a large interest, such as that of tea planting in Assam, should find themselves isolated in positions from which the Courts are not easily accessible to them, or, it may even be, for the particular objects which arise in connection with their business, practically inoperative.

3. With reference to this question, I am also directed to suggest, for his Honor's consideration, whether it might not be expedient and practicable to place some restrictions on the sale of waste lands by offering for sale only such lots as should afford the planters a reasonable access to the Courts of the province, and where also the means of Government would be readily available for their protection against the attacks of frontier tribes.

Home Department--Judicial--No. 32, of 1866.

To the Right Honourable Viscount *Cranborne*, Secretary of State for India.

My Lord,

Simla, 10 October 1866.

IN continuation of our Despatch, No. 30, dated the 17th ultimo, we have the honour to transmit, for your information, copy of further correspondence relating to the inquiry into certain cases of flogging of coolies in one of the Assam Company's tea gardens in the district of Durrung.

From Bengal, No. 2044 T, dated 8th September 1866, and enclosures.

We have, &c.

(signed)

John Lawrence.

W. R. Mansfield.

H. S. Maine.

W. Grey.

W. N. Massey.

H. M. Durand.

From *J. Geoghegan*, Esq, Officiating Junior Secretary to the Government of Bengal, to *E. C. Bayley*, Esq., Secretary to the Government of India, *Simla* (No. 2044 T.); dated Darjeeling, the 8th September 1866.

Letter from the Commissioner of Assam,
No. 325, dated 14th ultimo.
Letter from the Agent of Assam Tea Com-
pany, dated 23rd idem.
Letter from the Secretary, Landholders' and
Commercial Association, dated 24th idem.

IN continuation of letter No. 3703, dated the 27th July last, reporting certain cases of flogging of coolies in one of the Assam Company's tea gardens in the district of Durrung, I am directed to forward herewith copy of a further correspondence bearing on the subject; and to state, for the information of his Excellency the Governor General in Council, that the Lieutenant Governor has expressed satisfaction at the stringent orders issued by the Assam Tea Company on the subject of the treatment of their labourers, and promised to bring to the notice of their agent every case of contravention of these orders coming before him.

From Lieutenant Colonel *H. Hopkinson*, Agent to the Governor General, North East Frontier and Commissioner of Assam, to the Honourable *A. Eden*, Secretary to the Government of Bengal (No. 325); dated Shillong, the 14th August 1866.

WITH reference to your letter, No. 3700, dated the 26th ultimo, I have the honour to forward, for the information of Government, the following extracts of the replies made by district officers of this division, and of the protector of labourers, Upper Assam, on the subject of the flogging of coolies by planters.

Kamroop.

Captain Sherer reports thus: "There are but four tea plantations in Kamroop that have imported coolies as labourers on them, viz., the Lower Assam Company, presided over by Mr. Fisher, the manager, with Messrs. Gilman and Smith as his assistants; secondly, Captain Nash's garden, at Kookooreah; third, Dr. Macrae's garden, at Amchang, managed by Mr. Matheson; the fourth plantation is Mr. Delanougerede's, in the immediate vicinity of Gowhatty. I am happy to be able to report that, in my opinion, there are no reasons whatever for supposing that the cruel system of flogging coolies prevails on any one of the gardens above noted. I recently inspected all the imported labourers belonging to the Lower Assam Company; and a reference to the extract from my diary to the Commissioner of February last, will show what opinion I entertained of the excellent management by Messrs. Gilman and Smith of their imported labourers.

"Captain Nash and Mr. Matheson have only recently, within the past few weeks, introduced imported labour on their respective gardens.

"Mr. Delanougerede has but very few imported coolies, only about 17 in all; and I know they are treated kindly, and with consideration.

"Of one thing the Commissioner may rest assured, and that is, that should I ever have it brought to my notice directly or indirectly that any planter within my jurisdiction flogs his coolies, I will, on the first intimation of any such report, sift the truth of it personally to the very bottom; and if the report should ever prove well-grounded, the offender, whoever he may be, and whatever position he may hold, will meet with no mercy at my hands."

Nowgong.

Major Lloyd makes the following remarks: "There are rumours that the practice of flogging coolies for running away and other offences prevails in this district; but after having afforded coolies every facility for complaining, and carefully and patiently examining those that have come before me in cases in Court as to the general treatment they met with at the hands of the planters, I have failed to discover a single instance in which flogging has been inflicted. The coolies were almost unanimous in complaining of the fraudulent practices of the Mohurris in charge of the accounts of the gardens in cheating them, in disbursing their pay and rice and other articles of food in lieu of pay, but they made no mention of any ill-treatment they received at the hands of the tea planters."

Seesaugor.

Captain Sconce reports as follows: "Although I cannot help thinking that coolies are too often beaten, it is exceedingly difficult to obtain legal proof. If the number of complaints were the criterion, one would say that assaults on coolies are very rare; but remoteness of many tea factories, and the inaccessibility of the two stations where magistrates are situated, could alone give great facility in the concealment of such offences.

"As a rule, companies and planters are anxious to keep coolies whom they have imported at great cost, rather than drive them away by maltreatment; but even where I suspect that assistant and managers, who having no direct interest on being considerate towards coolies, do take the law into their own hands, I have never had reason to suppose any systematic cruelty is practised.

"The protector of coolies, with a sufficient reason, I believe, has not yet visited Seesaugor, and has, therefore, afforded me no assistance in inquiring into the condition of labourers.

"The police have never reported to me instances of flogging; though, as the Commissioner remarks, from time to time intangible rumours have gone about.

"Though

"Though I could name many factories where coolies are well cared for; I can state an instance mentioned to me by Lieutenant Phillips, which shows the difficulty of satisfactorily accounting for a bad rumour. Common report stated that a Mr. Scott, of Rungagora Factory, was in the habit of ill-treating his coolies, about 20 in number; but they told Lieutenant Phillips that they had no complaints to make. No doubt there are great impediments in the way of investigating petty assaults on the spot in the presence of the persons concerned, but these cases would be checked by the frequent and unexpected visits of the Protector and by less inaccessible Courts. For the more heinous cases, such as those noticed by the Commissioner, I look to the co-operation of the police.

"I fear that, as long as cases have to be taken 30 or 40 miles to the nearest magistrate, complete justice can neither be done to planter nor coolie."

Major Comber remarks thus: "I have only to say that, in my travels in the interior of the district, I take every opportunity of visiting the tea gardens, and no complaints are ever made to me. Luckimpore.

"I have heard that some planters (especially those living at a distance) do occasionally take the law into their own hands, and administer perhaps a slight caning to refractory coolies; no particular instances have, however, been brought to my notice.

"I do not think that, in any of the factories in Luckimpore, the cruel practices alluded to as having occurred in Durrung have ever been adopted or permitted by managers of gardens.

"Should it hereafter come to my knowledge that coolies are treated with cruelty, I shall at once take stringent measures to suppress such a system."

Protector of Labourers: "I have to state that I assumed charge of the duties of this office a month ago, and that I have since visited all the tea gardens employing imported labourers in the Jeypore sub-division, as well as those near the road leading to it. I have also inspected several gardens in the immediate neighbourhood of Debrooghur Station. In none of these gardens have I had any reason to suppose that a practice of flogging coolies existed. I have inquired into the condition and treatment of the labourers at all these gardens, and, as I have stated, I have not discovered a single instance where a coolie has been flogged.

"In the great majority of instances, a mutual kindly feeling seemed to prevail between labourers and managers."

I think that if the foregoing reports do not unconditionally testify to the unimpeachable character of the treatment which imported coolies receive in Assam, they are as far removed from justifying the presumption that the coolies are usually or habitually ill-treated, and much less is there reason to suppose that the cruel system established on the tea gardens of the Assam Company, at Serajoolee, has its counterpart on any other plantation in Assam.

From *W. J. Judge*, Esq., Agent, Assam Company, to *A. MacKenzie*, Esq., Officiating Under Secretary to the Government of Bengal; dated Calcutta, the 23rd August 1866.

MR. STAUNTON, the Calcutta Secretary to the Assam Company, has already acknowledged receipt of your letter, No. 3702, and the papers which accompanied it, and I have now to address you fully on the matters referred to therein.

2. The two persons specially named in your letter, as being concerned in the ill-usage of labourers in the employ of the Assam Company, in Zillah Durrung, are Mr. Donald, who was at the time the manager of the Company's estates in that Zillah, and Mr. R. E. Dunn, an assistant on one of those estates; and it may be considered proper that I should state how it happened that persons guilty of such harsh and disgraceful cruelty as the papers sent with your letter exhibit came into the service of the Assam Company.

3. Mr. Donald, who was removed from the management of the Durrung Estates in May last, and who will never again be employed on any estate of the Assam Company, was introduced into the service by his friend and fellow-townsmen, Mr. John Smith, the Superintendent of the Company's estates in Assam, when that gentleman was in England in 1862. At the latter end of 1863, Mr. Donald was placed by Mr. Smith in charge of the Assam Company's Durrung property, and continued in charge of that property until the date of his removal in May last. For upwards of 18 months after his appointment to the charge of the Durrung estates, Mr. Donald managed those estates under directions given him by Mr. John Smith from Nazeerah, in the Seesaugor District, to whom he made his reports; but in the month of April 1865, Mr. Smith gave directions to Mr. Donald to communicate direct with this office, and from that date I corresponded direct with Mr. Donald on the affairs of the Company.

4. Mr. Dunn, who had been before employed on a tea plantation in Kumaon, entered the service of the Assam Company on probation for six months, in December 1865, and was placed as an assistant under Mr. Donald. He presented fair certificates from his former employers, and there was nothing in his appearance or manner to lead me to suppose that he could be guilty of acts of cruelty, such as that of which he has been convicted.

5. I beg, through you, to assure his Honor the Lieutenant Governor that it is utterly repugnant to the feelings of those who have the government of the Company's affairs in England and Calcutta, and entirely opposed to their orders, that the European managers and assistants should commit any acts of violence on the natives of this country, whether in the Company's employ or not; and upon a former occasion, when an European assistant was dismissed for beating a native servant of the Company, the then superintendent was censured and informed that the Directors would not permit such acts to be committed, if in their power to prevent it.

6. It was not until the 31st March last, that I was informed by Mr. Donald of the enquiry before the Deputy Commissioner of Tezporé, which resulted in Mr. Dunn's conviction and sentence; but on the 22nd day of the previous month of February, this Office had called upon Mr. Donald to furnish an explanation regarding a report which had reached us of an assault stated to have been committed by himself on a man named Mudda Khan, a native of Bengal, in the Company's employ. The explanation asked for was never given; and Mr. Donald, since his arrival in Calcutta, has been too ill to be questioned on the subject.

7. In order that his Honor the Lieutenant Governor may know how anxiously the welfare of the native labourers who came into the employ of the Assam Company is regarded by those who have the government of the Company's affairs, I will proceed to give passages from letters from the Board of Directors and from myself on this subject. The extracts will be long; but the great importance of the subject will, I trust, be sufficient excuse for submitting them in replying to your letter.

8. On the 28th June 1865, the Board of Directors writing me on the subject of the coolies on our estates in Assam, and the means to be adopted to render the service attractive, expressed themselves as follows: "In order to these ends, the Board are of opinion that no pains should be spared to make the dwellings of the coolies as comfortable and convenient as may be consistent with the notions and habits of the class, and especially to raise the floors above the ground, and the sleeping-places above the floors. Their sufficient ventilation and drainage should also be studiously provided for, though in respect to ventilation, it may perhaps be necessary to run counter to the habits and prejudices of the coolies, who, like other natives of India, are apt to prefer to sleep in close and hot rooms.

"It might be an attraction to the coolies, and induce them to give a preference to the service of the Company, and to remain attached to it, if a liberal allowance of garden ground were granted to each family, on which to grow fruit, vegetables, tobacco, &c.

"The subject is of such great importance, in relation no less to a wise economy than to humanity, that it appears to the Board to be well worthy of consideration, whether it would not be desirable to entrust the sanitary care and general superintendence of the coolies, with a view to make and keep them comfortable and satisfied, to a medical officer, as a part of his duty."

9. On the 5th August 1865, the Secretary to the Company wrote, by my direction, to the superintendent of the Company's estates in Assam, as follows: "It would be well if you would mark off, at suitable places near the cooly lines, plots of ground of sufficient area, for the cultivation of vegetables, so as to supply the labourers with food in variety, which, it is believed, would conduce to their health. You would probably be able to tell off a number of infirm men unfit for field labour, and some boys who could attend to the vegetable gardens, and the vegetables could be distributed under such arrangements as you might think proper. Vegetable seeds of different varieties shall be sent to you. The Agent spoke to Dr. Simons when in Assam, on this subject, and the doctor approved of the suggestion." And on the 11th August 1865, I wrote to the superintendent at Nazeerah, as follows: "I am glad to find that the shipment of rice is likely to prove so serviceable. It is of a better description than the wretched stuff supplied by Mr. Haly from Serajunge, about which I heard such complaints when I was at Nazeerah. I will send you the supplies that you ask for, of urhur, khassary dhall, and salt. The Board of Directors are most anxious that the labourers in our employ should be well fed, housed, and looked after. I wrote you on the subject of establishing gardens for the growth of vegetables for their use, and I shall feel obliged for any suggestions that you will furnish me with on this subject."

10. On the 24th August 1865, I wrote to Mr. Donald, who was then the manager of the Assam Company's estates at Durrung, as follows: "Now with regard to the coolies, it is most desirable that the utmost care should be taken to provide the people with every comfort that is conducive to their health, and I can give you the fullest assurance that the Directors will not begrudge any reasonable expenditure that has this object in view. I am aware that, with your limited means and appliances, it may not be possible for you at once to construct buildings for them, which will be perfect in every respect; but I must ask you to be careful in the selection of sites for the lines, to choose spots which are capable of being well drained, and to see that proper drains are constructed, and to introduce, so far as is practicable among such people, some simple sanitary arrangements. * * * There must be numerous possible arrangements for the better preservation of the health of the people, which will occur to you from time to time, and I shall be obliged by any suggestion of a practical and feasible nature that you will offer. A few plain rules for the regulation of the cooly lines may, notwithstanding the general apathy of the people whom you have

to deal with, be effectually useful, if it is explained to them that their own welfare is involved in the observance of them. The huts within which the coolies are to dwell should, as I have before stated, be on spots carefully selected, and in each dwelling there should be a well-raised and spacious muchau or platform of wood or bamboo, on which the people may recline, instead of lying on the damp earth. The huts should also be so constructed as to admit of ventilation. I am particular in these directions, because it is considered essential, on many grounds, as well of humanity as self-interest, that the utmost care should be taken to preserve the health of the people who may be placed on our estates,

"Connected with this subject, there are two other matters, in respect to one of which the remedy lies very much in our own hands; but in respect to the other, I fear there may be some difficulty. The first that I allude to is the supply of food to the coolies. Hitherto the men have depended almost wholly on the supplies of rice which have been sent up, with the addition of such other articles as they have been able to procure in distant, scattered, and ill-provided haunts, or markets. I propose, for the future, to keep you better supplied not only with rice, but with dhal, salt, and oil; and in addition to these, I wish that you should make arrangements for the establishment of gardens for the growth of vegetables for the supply to the coolies of a variety of vegetable food, which, taken from time to time, will afford them better nourishment than they derive from their daily meals of rice only. For this purpose, I will send you a supply of vegetable seeds; and I request that you will select, from the people under your charge, a number of those not well fitted for the heavier field labour, to prepare vegetable gardens, at places convenient to the lines; and that you will also make suitable arrangements for the distribution, among the people, of the vegetables to be raised.

"The other matter that I have to mention is the supply of fish. Under what arrangements are the fisheries in your district? If they are monopolised by lessees of the Government, it may be as well that you should go in for the lease, either in your own name, or in the name of some other person, but for the benefit of the Company and their establishment. The illnesses which result from a long course of vegetable diet to people who have been accustomed to a mixture of vegetable and animal food, may be prevented, if we place ourselves in a position to supply them with fish occasionally."

11. On the 11th October 1865, I wrote Mr. Donald as follows, in reply to letters from him: "I am pleased that you take so much interest in the well-being of coolies under your care. * * * You will find in the separate closed packet every variety of cabbage, cauliflower, carrots, turnip, onion, squash, &c., that will be useful for the coolies. * * * For the coolies, I think, vegetable gardens should be established near their lines; and you will probably find among your coolies some old people and boys, unfitted for hard field labour, who might be employed in the gardens. You will have to establish rules for the distribution of the vegetables. I will also send you up by the next steamer a quantity of native vegetable seeds, such as deb damra, maskalai, bhoota, surgoogah, khuddo, koomroo of different sorts, corilla, lall sag, dharus, bygun, moolla, khakoor, turmooj, shasna, huldee, and others. * * * I hope also to send you by the same opportunity a further supply of American seeds."

12. His Honor the Lieutenant Governor will observe, from the foregoing extracts, that the comfort and welfare of the labourers in the Assam Company's estates are anxiously cared for by the Board of Directors and by this Agency; and that, upon an occasion that happened some years ago, when an European assistant ill-treated a native, he was summarily dismissed the service, and the superintendent censured, and informed that such acts would not be permitted by the Directors; and, in a late case, when a report was made to this office of an assault alleged to have been committed by Mr. Donald on a native servant of the Company, he was immediately called upon for an explanation. If I had been then aware that Mr. Donald had given to his assistant, Mr. Dunn, such orders as in his evidence given before the Deputy Commissioner at Tezporé he admits he did, for the punishment of coolies who deserted, and that he had been party (for such I consider him to have been on his own showing) to the beating of a native woman, I would at once have dismissed him from the service of the Company; and I feel confident that dismissal for such a cause would be approved and confirmed by the Board.

13. I regret to observe that the Governor General's Agent and Commissioner of Assam, in his letter, No. 157, of 9th April last, to the Government of Bengal, states that rumours that a practice of flogging coolies for running away prevailed on some of the plantations, and among them, on the Assam Company's Plantations, had from time to time been bruited about. I cannot help thinking that such rumours of a prevailing practice are without foundation on the estates of the Assam Company, and I am confirmed in my doubt, because Lieutenant Colonel Hopkinson, in the same paragraph of his letter, states that such rumours "have been too intangible for notice."

14. It has always been a source of difficulty in the management of such distant estates, that instances of misconduct of the kind referred to in the papers sent to me may occur, which never come to the knowledge of those in whom the direction of the affairs of such estates is vested.

15. It would be great assistance to the Board and myself, in preventing acts of violence on the Assam Company's estates, if his Honor would make it a direction to all Deputy Commissioners, Magistrates, and Protectors, in the districts in which those estates lie, to

transmit to this office information of all complaints made by natives of violence used against them by, or with the concurrence of, any European assistant in the Assam Company's employ, and I venture to solicit that this may be done; and I beg further to suggest that Thanadars and other police officers be strictly enjoined to report every case of violence to the magistrate, and that no compromise of such cases be permitted, except with the sanction of the magistrate, for reasons which shall appear to him sufficient.

16. I feel confident that when European assistants, on distant estates, know that every case of violence towards the natives, which may be investigated by a court of justice, will, even although a compromise is permitted, be brought at once to the notice of their employers, they will be extremely careful in their treatment of the people under their charge.

17. I will, in accordance with the wish of his Honor the Lieutenant Governor, issue afresh stringent orders to the managers and assistants in the employ of the Assam Company to prevent, not merely such disgraceful outrages as those exhibited in the papers which accompany your letter, but to prevent also any ill-usage whatever of the natives, whether in the employ of the Company or not.

From *J. Beckwith*, Esq., Secretary to the Landholders' and Commercial Association, Calcutta, to the Honourable *A. Eden*, Secretary to the Government of Bengal; dated the 24th August 1866.

I HAVE to acknowledge receipt of Mr. Under Secretary Mackenzie's letter of the 27th July, No. 3701, forwarding, for the information of the Association, copy of a correspondence containing reports on the results of a judicial investigation into several cases of flogging of labourers on the Assam Company's tea gardens at Cherrajoollee, in Zillah Durrung.

The Committee direct me to say that the perusal of these papers has caused them deep regret. Regret that any labourers should have been subjected to such cruelty and ill-usage; and regret also for the unfavourable impression that such an occurrence must create against the system in which the cultivation of tea is carried on, although they are themselves convinced that the case of the Cherrajoollee gardens is altogether exceptional.

In bringing the matter to the notice of the Commissioner, Captain Lamb observes:—"In justice to the planters in this district, I note that this is the only estate in which such cruelty has come to my notice;" and the Commissioner in his letter to Government of the 9th April, No. 157, says that he has moved the Protector of Coolies in Upper Assam, and the Deputy Commissioners of Luckimpore, Seesaugor, Nowgong, and Kamroop, to enquire whether there is any reason to suppose that the practice of flogging exists on any of the tea gardens. The Commissioner adds that, on receipt of the reports, he will communicate anything noteworthy there may be in them to Government.

As the letter under acknowledgment is dated the 27th July, and as neither in it, nor in the correspondence forwarded with it, is there any allegation of any other act of flogging, the Committee are glad to conclude that the proceedings at Cherrajoollee have been found quite exceptional, as they believed would be the case.

The Committee desire me to explain that the Assam Company is not a member of this Association, having withdrawn some time ago in consequence of a difference of opinion between their general manager in India and a large majority of the Committee.

(Public, No. 103.)

To His Excellency the Right Honourable the Governor General of India in Council.

Sir,

India Office, London, 3 December 1866.

Para. 1. I HAVE considered, in Council, your Despatches in the Judicial Department, dated 17th September (No. 30) 1866, and 10th October (No. 32) 1866, forwarding a copy of correspondence relating to cases of flogging immigrant labourers, which occurred on the gardens of the Assam Tea Company at Cherrajoollee, in Zillah Durrung, and which appear to have been attended by circumstances of great barbarity.

2. It is with feelings of no small astonishment and pain that I hear of the commission of such inhuman practices by persons of British birth within the territories subject to your Excellency's control. I can scarcely credit the rumour mentioned by the Commissioner of Assam, that the cases discovered
upon

upon the plantation of Cherrajoolie are only samples of a practice which prevails on other plantations in the province, and I rely on your Excellency's sparing no pains to satisfy yourself of the truth on this subject by means of more strict and searching inquiries than have yet been instituted, and on your issuing such orders to the local officers as will ensure the perpetrators being brought to condign punishment in any cases where the offence may be found to have been committed.

3. It is not my intention at this time to enter on an examination of the judicial proceedings which took place in connection with the cases in question, more especially as those proceedings have been communicated by the Lieutenant Governor of Bengal to the High Court for such notice as they may be thought to call for. But I may here remark that if the law is not sufficiently severe to counteract the prejudices of race and the temptations of commercial enterprise, it must be made more stringent; and that, if there is any just ground for doubting the impartiality of the tribunals before whom offences of this kind would, in ordinary course, be tried, such reforms should be introduced into their composition as shall divest them of any bias either towards the planter or the labourer.

4. The flogging of coolies by the managers of plantations, being a grave offence against the law, must necessarily be dealt with by the established tribunals, and all that is required on the part of the officers specially intrusted with the protection of the interests of the coolies is, that such a strict and careful watch shall be kept over all the plantations that no such cases shall occur without the perpetrators being brought to justice. In order to make provision for the due exercise of this care in Lower Assam, I approve the appointment of an additional Assistant Commissioner at Bishnath, who will discharge the duties of Protector of Labourers in that division.

5. I quite concur in the remark of your Government, that "it is no doubt a great evil that the English agents of a large interest, such as that of tea planting in Assam, should find themselves isolated in positions from which the Courts are not easily accessible to them, or, it may even be, for the particular objects which arise in connection with their business, practically inoperative:" and in this view I approve the reference made by you to the Lieutenant Governor of Bengal as to whether the strength of the civil administration in Assam is sufficient for all present calls upon it.

6. I have been forcibly and painfully struck by the following passages in the letter of Colonel Hopkinson of the 9th of May 1866:

"In Assam the life of a coolie hangs at best by a slender thread, with a climate that so saps his vitality, it unfortunately takes very little to kill him, and the shock of such a flogging as would be elsewhere borne with impunity, might there prove fatal." And again, "Of the numerous coolies flogged by Mr. Dunne, there was, very possibly, not one who, either just before, or at the time, or immediately after, had not been or was not suffering from fever, dysentery, diarrhoea, or spleen, all diseases of which coolies are constantly dying in the plantations."

7. Fully appreciating the importance to Assam and the adjoining districts of the operations of the tea planters in bringing waste lands into cultivation and in developing a new and valuable branch of industry, I should have every disposition to facilitate the acquisition, on the part of the planters, of an adequate supply of labour to the utmost possible extent. If, however, the effects, attributed by Colonel Hopkinson to the climate of Assam, are ordinarily experienced by the Bengal coolies, and if the mortality among them amounts to what might naturally be expected from such an enfeebled state of their constitution, it should be a subject for serious consideration whether the Government is justified in promoting a system of immigration attended with such serious consequences to the subjects of it, and whether the owners of the Assam plantations should not rather be encouraged to resort to other districts or regions, where the inhabitants, from the nature of the country, or from their own constitution and habits, would be less likely to suffer from their transfer to the climate of Assam. It may not, improbably, be found that the remarks of Colonel Hopkinson apply only to

portions of Assam, and to certain classes of the Bengal labourers, and, if so, it would be easy to supply a remedy without any general interference with the system as hitherto carried on.

I have, &c.
(signed) *Cranborne.*

(Public, No. 104.)

To His Excellency the Right Honourable the Governor General of India in Council.

Sir,

India Office, London, 3 December 1866.

Para. 1. WITH reference to my Despatch of this day's date, No. 103, I desire to make a few general remarks on the system under which the transport of labourers from Bengal to Assam and the adjoining district is carried on, and which, I may observe, ought to have been made the subject of a special report to Her Majesty's Government when it was first set on foot.

2. The various arrangements under which the recruitment and transport of these labourers are conducted, and by which it is sought to protect the mutual interests of both employers and labourers after the labourers have reached the plantations, are contained in the Acts of the Bengal Government, No. 3, of 1863, and No. 6, of 1865.

3. The provisions of these Acts, and the extent to which Government interference should be carried in encouraging the supply of labour to particular branches of industry, and in regulating the relations between employers and the employed, were subjected to very grave discussions, both in this office and in India, previous to their enactment, but the measures were necessarily experimental, and their maintenance must be held subject to the results of actual experience.

4. The report submitted at the close of 1864-65 by the "Superintendent of Labour Transport," under which appellation Captain Burbank is charged with the supervision of all the arrangements for the reception, and for the despatch to Assam and the adjacent districts, of the coolies recruited in the Mofussil, was very favourable to the working of the system, so far as it related to that portion of the arrangements which came under his superintendence. But I find that, shortly after that report had been laid before the Bengal Government, several instances arose in which a very serious loss of life occurred on the steamers, or the "flats," engaged in the transport of coolies from Calcutta to Assam. I have no means of knowing what proportion these cases bore to the whole number of steamers engaged in the service, but I cannot regard it as otherwise than very discreditable to the working of the system that, in the six months from August 1865 to February 1866, no fewer than five cases* should have been brought before the Government, in which the established rules had been more or less disregarded, and a serious mortality, on one of the vessels to the extent of 67 per cent., had occurred on the passage.

* "Agra," "Success,"
"Oude," "Nepaul,"
"Lucknow."

5. In connection with this point, I observe that the Lieutenant Governor very properly suggested that both commanders of vessels and medical officers should be paid only for the labourers who may arrive safely at the point of disembarkation, but I do not find whether the suggestion has been actually carried out.

6. The arrangements for the care of the coolies on disembarking in Assam, and for their transport from the banks of the river to their ultimate place of destination, seem from the case reported by Captain Graham, of the 13th October 1865, to have been likewise very incomplete. Many of the coolies are landed from the steamers in a state of great weakness and exhaustion; and, no adequate provision being made for the reception and conveyance of those who may thus be unequal to proceed on foot to the plantations, they are exposed, in consequence, to great misery, even if they do not actually fail to reach their destination.

7. On all the branches of this important subject, I am desirous that your
Government

Government should institute a full and careful inquiry. The various points to which I have above called attention are sufficient to suggest doubts as to the propriety of maintaining the existing arrangements, at any rate, without alterations and modifications ; and I have to request that, when you shall have obtained all the information in your power as to the working of the system, as at present carried out, you will furnish me with your opinion as to the sufficiency of the provisions made for the protection of the coolies, whether on their way to Assam or in the plantations, and as to any changes which may be required for rendering those provisions more effective, should you think that the system in its essential characteristics ought still to be maintained.

I have, &c.
(signed) *Cranborne.*

COOLIE TRADE.

P A P E R S

RELATING TO THE

COOLIE TRADE IN ASSAM, &c.

(*Mr. Kinzard.*)

*Ordered, by The House of Commons, to be Printed,
13 March 1867.*

EAST INDIA (THE DECCAN).

RETURN to an Address of the Honourable The House of Commons,
dated 17 May 1866;—for,

“COPY of all TREATIES and ENGAGEMENTS subsisting between His Highness the Nizam of the *Deccan* and the British Government, and of all CORRESPONDENCE between the two Governments relative to the DISTRICTS assigned by His Highness for the Maintenance of ‘THE HYDERABAD CONTINGENT,’ together with an ACCOUNT of the INCOME and EXPENDITURE of the above DISTRICTS, and of the COST of the CONTINGENT.”

India Office, }
25 June 1866.}

J. WM. KAYE,
Secretary in Political Department.

(*Sir FitzRoy Kelly.*)

Ordered, by The House of Commons, to be Printed,
31 May 1867.

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COPY of all TREATIES* and ENGAGEMENTS subsisting between His Highness the Nizam of the *Deccan* and the British Government, and of all CORRESPONDENCE between the two Governments relative to the DISTRICTS assigned by his Highness for the Maintenance of "THE HYDERABAD CONTINGENT," together with an ACCOUNT of the INCOME and EXPENDITURE of the above DISTRICTS, and of the COST of the CONTINGENT.

(Foreign Department.)

The Governor General of India in Council to Sir *Charles Wood*, Bart., dated 8th September (No. 117) 1860.

* * * * WE have the honour to transmit copies of correspondence with the Resident at Hyderabad on the following subjects:—

I. The affairs of Shorapoor.

II. The traffic on the Godavery River, the right of the Nizam to levy customs duties thereon, and the proposed negotiations with the Nizam for the relinquishment of those duties, and for the cession of territory on the left bank of the river.

III. The receipts and disbursements of the Hyderabad Assigned Districts.

IV. The rewards to be bestowed on his Highness, and certain of the members of his court, in recognition of the services rendered by them during the disturbances of 1857 and 1858; together with certain proposals to be made by the Resident to the Nizam, on the part of the British Government, relative to the receipts and expenditure of the Assigned Districts, the re-arrangement of the boundaries of those districts with reference to the requirements of the Treaty of 1853, and the proposed relinquishment by his Highness of territory and customs duties on the Godavery.

We have, &c.
(signed) *Canning.*
H. Rose.
H. B. E. Frere.

(Civil Department.—No. 138 of 1859.)

Lieutenant Colonel *C. Davidson*, Resident at Hyderabad, to *C. Beadon*, Esq., Secretary to the Government of India, Foreign Department, 6th July 1859.

Sir,

WITH reference to your Letter, No. 2069, dated the 18th April 1859, calling for financial statements showing the receipts and disbursements of the Hyderabad Assigned Districts, from June 1853 to 30th April 1858, I am at last in a position herewith to submit a general financial statement for the information of his Excellency the Right honourable the Viceroy and Governor General of India in Council, having also this day despatched the last of the detailed statements for the five years ending with the year 1857-58 to the Accountant General to the Government of India.

2. The result shows a debit against the Nizam of Rs. 9,31,612 14 a. 11½ p. This was entirely incurred in the first year of our administration, 1853-54, and is to be attributed to our having in that year paid up the Contingent four months

* See Vol. 5, pp. 11-101, Aitcheson's Collection of Treaties, prepared under the orders of the Government of India.

months of arrears in which it was always previously held when paid direct by the Minister.

3. In these accounts I have rejected entirely village expenses, which showed on the 30th April 1858 a considerable sum to credit, but this would only represent a fictitious prosperity, as the item was a deposit which might at any moment be called for. As, however, it is most probable that the whole amount may never be disbursed for legitimate claims established against the village expenses, I have called on the Officiating Commissioner to show what amount is likely to be claimed, and what will remain still in deposit, as from this latter I should be inclined to pay some of the extra establishments, which in these accounts are very large, and have been all charged against the actual Government demand, which would not have been the case under the Native Government.

4. The village expenses are levied with the Government demand for the benefit of the districts generally, and should be so expended. It appears to me therefore legitimate that establishments retained for their benefit should be partly paid from these collections, especially as there can be no doubt, had the Government orders for the re-organisation and reduction of the schedules of establishments been earlier carried out by the Commissioner and district officers instead of their persistence in the extravagant scale first introduced, a large amount would have been saved, and carried to the credit of the Nizam's Government.

5. Another item in these accounts deserves notice. It is an exchange transaction in the debt of Hyderabad, Rs. 49,76,132 4 a. 1 p., which remained against the Nizam when the Treaty in 1853 was completed, and is as follows :—

Difference between the rate of conversion (21 per cent.) at which the total of the Nizam's debt was charged in the Civil Treasury Accounts for 1853-54, and Rs. 14 6 a. per cent., the rate at which the same has since been exhibited by the Accountant General, viz., amount of debt—

<i>Hyderabad Rs. a. p.</i>				<i>Co.'s Rs. a. p.</i>
49,76,132 4 1	-	at 14 a. 6 p. per cent.	-	43,50,708 2 3
Ditto - - -	-	at 21 per cent.	-	41,12,505 15 11
Difference - - -				<i>Co.'s Rs. 2,38,202 2 4</i>

6. The Accountant General, in his account, adds this amount to the total of the Nizam's debt, and charges annual interest on it at the rate of six per cent. This I fully expect would be objected to by the Hyderabad Government, as they were informed the total debt due was Hyderabad Rs. 49,76,132. 4 a. 1 p., on which, in my opinion, we can alone legitimately charge interest. I have therefore charged the whole amount in a lump, and debited it as an exchange transaction to the first year. On this point, however, I have solicited the orders of Government through the Accountant General in Letter No. 816, dated the 17th May 1859, to that officer.

7. I am prepared to expect the Minister will object to the large amount of charges for establishments, and therefore the extravagance of our management. I know, on the other hand, it will be argued that the Nizam's Government, when agreeing to the treaty, never could have expected that our Administration would be conducted in the same way or cost as little as theirs, but there is no doubt General Low, c.b., allowed the former Minister, Soorajaal Moolk, and the present one, Salar Jung, to suppose that our management would cost about two annas in the rupee, or about 12½ per cent. on the revenue, and he spoke of civil charges in the tabular statement dated 2nd September 1853, attached to Letter No. 120, dated 2nd September, to Government, as 13 a. 8 p., and on one occasion remarked to the Nizam, in the presence of the Minister, "Why should he object so much to the cession, as we should be in the place of his talookdars, only be more honest in rendering correct accounts?" which confirmed the Durbar in the opinion that our system of administration would not cost more than they paid for the talookdaree. Salar Jung has often referred to this speech when I have verbally told him the revenues did not cover the expenditure, and I distinctly remember its being made use of as an argument to induce compliance

pliance in signing the treaty by General Law. Indeed, that officer's first intention was that the districts should be managed as Nagpore was under Sir Richard Jenkins, and the Hyderabad districts under Sir Charles Metcalfe, and he proposed this to the Government of India in Despatch No. 98, dated 8th July 1853 (Political Department).

8. It will be observed from these accounts, although we are not yet out of debt, that there has been a steady increase in the revenue, which, from Rs. 34,59,754 5 a. 1 p. in the first, arrives at 42,71,338 rupees in the last year, 1857-58; and that without actually drawing one rupee from the Imperial treasury, the contingent has been kept up, and all other payments made, except the total amount of interest on debt of Rs. 2,46,750 5 a. 9 p., which would have amounted in the five years to Rs. 12,33,751 12 a. 9 p., and as Rs. 9,31,612 14 a. 11½ p. is due, even a portion of the interest has been paid, although not all; but everything else, agreeably to the provisions of the treaty, has been provided for, and I cannot but think it would be an act of liberality, if we are not required by justice, to remit this annual payment for interest, if not from date of cession until now, at least prospectively. The Nizam's remark is, "Sovereign princes do not take interest from each other like shopkeepers and merchants;" and it should not be forgotten, if the former Nizam had agreed to the cession of the assigned districts in perpetuity, this debt was to have been remitted altogether. Under the orders issued regarding the Treaty of 1853, the cession in name is not in perpetuity, but it appears to me to be so in reality, as without the districts we cannot keep up and pay the contingent, and the last two years have proved its immense value to us; and, further, that insurrection and anarchy in the Hyderabad territories would be the result of its disbandment. Of this the Nizam is fully aware; it is not, then, too much to say the cession, as the contingent must be kept up, is in perpetuity, although nominally not so; and that the Nizam is fairly entitled to the remission of the Rs. 49,76,132 4 a. 1 p., with the annual interest accruing on it.

	Rs.	a.
The total Receipts for 1853-54 as shown in the General Abstract Statement accompanying this letter is	38,43,198	-
But from this has been deducted the Balance of Accounts of the Contingent up to Dec. 1853, and the value of Ordnance Stores in hand on the 1st January 1854, amounting in all to	3,83,443	10 11
Revenue Receipts - - Rs.	34,59,754	5 1

9. We have remitted Rs. 14,29,518 5 a. 8 p. of customs duties since the year 1854-55, which would have brought in, agreeably to former years, annually Rs. 3,57,379 9 a. 5 p. A payment for the equivalent of this I know it is the intention of the Minister to claim, as these inland customs were a part of the revenue ceded to us by the Treaty of 1853, and he argues ought not to have been abolished without the permission of the Hyderabad Government, as it was done for our own convenience. No doubt the trade and produce of the assigned districts benefited to a certain extent by the remission, but I doubt whether their prosperity would not have been as great, and their revenue increased as much if these cesses had not been abolished, as it is to just and honest revenue management that the prosperity must justly be attributed. The general and Imperial benefit was certainly as much as that of the districts from the abolition of these inland taxes; but if Rs. 2,46,750 5 a. 9 p., the annual interest of the debt, is remitted, the one may fairly be quoted against the other; and our liberality will then be conspicuous, both as remitting a heavy debt to the Nizam and vexatious cesses in the districts.

10. I would beg that instructions be issued that all claims payable by the Assigned Districts be preferred to the Resident for settlement, and not, as now, from the different Presidencies direct to the Accountant General for adjustment by a transfer entry. Unless this is done, which I believe is in accordance with the wishes of the Accountant General, contained in his letter of the 30th March 1859, No. 111, it is impossible to check charges that are evidently high, or to know whether they are correct. I would instance the yearly charge for clothing for the contingent. According to the average of the five years previous to the cession, when the contingent was numerically stronger than now, this item was Rs. 16,571 1 a. 2 p. By the last three years, as entered in Accountant General's Statements, it is Rs. 28,240 8 a. 2 p. This I do not understand, nor have I any means of explanation, as the bills are not furnished to my office. This equally applies to military stores and all similar miscellaneous charges.

11. In conclusion, I would beg to apologise to Government for the inaccu-

For 1853-54 and 1854-55, on the 24 Dec. 1855, to the Accountant General to the Government of India.

For 1855-56, on the 15 Sept. 1856, to the Secretary to the Government of India.

For 1856-57 on the 7th July 1857 to - ditto - ditto.

For 1857-58 on the 16th July 1858, to - ditto - ditto.

statements of their actual receipts and disbursements for each year in account current with the Nizam's Government. The result now shown is, I think, highly satisfactory. The Assigned Districts have paid debt as follows:

	<i>Rs.</i>	<i>a.</i>	<i>p.</i>
Balance against his Highness the Nizam on 30th April 1858	9,31,612	14	11½
Against which are to be set off the following Remissions of Revenue, Liquidation of Debt, &c.:			
Payment of Arrears due to the Contingent	<i>Rs.</i>	<i>a.</i>	<i>p.</i>
prior to the Cession - - -	13,76,653	-	1
Amount of Transit Duties Abolished	14,29,518	5	8
Exchange or Conversion of the Debt	2,38,202	2	4
	30,44,373	8	11
BALANCE - - -	<i>Rs.</i>	21,27,760	9 1¼

and it must not be forgotten that in the first year of our administration the revenue suffered considerably from a famine in the eastern district of the Raichore Doab.

12. True, there is a balance still due of *Rs.* 9,31,612 14 *a.* 11½ *p.*; but the establishments are now revised and put on a permanent footing, and during the last year and a half the heavy items payable for the Commissioners' and Chief Engineers' salaries and establishments, also expenditure (although still somewhat small) on public works, have been added to the disbursements. I have no dread for the future, especially with a proper survey and settlement, which I think should be vigorously pushed on, and will pay itself, as it is well known that in both Berars large tracts of country under cultivation are concealed, and no revenue is paid for them.

GENERAL ABSTRACT STATEMENT showing the Actual Revenues, &c., realised in the Hyderabad Assigned Districts; and the Expenditure chargeable thereto, from June 1853 to 30th April 1858.

RECEIPTS.	Company's Rupees.	DISBURSEMENTS.	Company's Rupees.
	<i>Rs. a. p.</i>		<i>Rs. a. p.</i>
1853-54 - - -	38,43,198 - -	1853-54 - - -	46,83,702 10 10
1854-55 - - -	41,03,375 - 1	1854-55 - - -	41,95,687 13 10
1855-56 - - -	40,15,112 14 -	1855-56 - - -	40,03,330 1 -
1856-57 - - -	41,12,402 5 11½	1856-57 - - -	40,00,539 11 6½
1857-58 - - -	42,71,338 10 3	1857-58 - - -	43,93,779 8 -¼
TOTAL Receipts for the Five Years - <i>Rs.</i>	2,03,45,426 14 3½	TOTAL Disbursements for the Five Years - - -	212,27,030 13 2½
		Deduct Receipts - - -	203,45,426 14 3½
		Balance against the Nizam on the 30th April 1858 <i>Rs.</i>	931,612 14 11½

Hyderabad Residency, }
6 July 1859.

(signed) C. Davidson, Resident.

(Foreign Department.—No. 2522 of 1860.)

From C. Beadon, Esq., Secretary to the Government of India, to Lieutenant Colonel C. Davidson, Resident at Hyderabad.

Sir,

Fort William, 7 July 1860.

I AM directed to acknowledge the receipt of your letter, No. 138, dated 6th July 1859, submitting a general abstract statement of the receipts and disbursements of the Hyderabad Assigned Districts, from June 1853 to April 1858.

2. The result, as you observe, shows a debit against the Nizam of Rs. 9,31,612 14 a. 11½ p., but this was incurred during the first year of our administration, in consequence of the Contingent having in that year been paid up to date, instead of being kept four months in arrears, as was previously the case. Excluding the sum so paid, amounting to Rs. 13,76,653 0 a. 1 p., and excluding on the other side the balance of accounts of the Contingent up to December 1853, and the value of Ordnance stores in hand on the 1st June 1854, amounting to Rs. 383,443 10 a. 11 p., the actual current receipts and expenditure for these five years is, as per margin, showing that the districts barely suffice to meet the expenses chargeable on them, including the expenses of management, and that the balance at the Nizam's credit is insignificant.

	Rs.
Receipts -	199,61,983
Charges -	199,00,387
Surplus -	Rs. 61,596

3. You state that in those accounts you have rejected entirely village expenses, which showed, on the 30th April 1858, a considerable sum to credit. This sum is held in deposit for the benefit of those who may claim it, but you are of opinion that the whole amount will not be claimed, and propose that the balance should be applied to pay the large establishments charged in the accounts. On this I am directed to observe, that the amount so unclaimed cannot be devoted to any specific purpose other than that for which it was collected; and that after a sufficient time it should be carried to the credit of the general account.

4. With regard to the item of Rs. 23,82,02 2 a. 4 p. referred to in the 5th para. of your letter, I am directed to observe that the Accountant General has done rightly in including this sum in the principal of the debt upon which interest is payable at 6 per cent. under the treaty. The debt, as stated in the treaty, is about 50 lakhs of Hyderabad rupees, and it was shown at the time to be exactly Hyderabad Rs. 49,76,132 4 a. 1 p.; the cost incurred by the Government in laying this sum down at Hyderabad Rs. 43,50,708 2 a. 3 p. This, therefore, is the exchange equivalent of the debt, and upon this sum interest is rightly charged under the strict terms of the treaty. To charge in the accounts of the Hyderabad Assigned Districts, as an exchange transaction, the difference between that sum and Rs. 41,12,505 15 a. 11 p., the equivalent of the debt at a conventional rate, would be clearly wrong.

5. The Governor General in Council desires me to request that the accounts of the Assigned Districts may be furnished to the Nizam up to the present date, without any further delay. By the treaty we are bound to render these accounts every year, and it is not creditable that this should not have been done. It is premature, in his Excellency's opinion, to anticipate the objections of the Nizam to particular items of account. It is enough to say that the accounts represent exactly the receipts and disbursements connected with the Assigned Districts. The Nizam's Government are, of course, free to make objections if they think proper to do so; and any such objections can be subsequently considered.

6. It is evident, however, that the state of the finances of these districts is not such as to justify the Government in acceding to the appointment of a superintendent of police for the Dharaseo and Raichore districts as proposed in your former letter.

(Extract.)

(Foreign Department.—No. 2518 of 1860.)

From *C. Beadon*, Esq., Secretary to the Government of India, to Lieutenant Colonel *C. Davidson*, Resident at Hyderabad.

Sir,

Fort William, 7 July 1860.

I AM directed by the Governor General in Council to acknowledge the receipt of your letter, No. 20, dated the 27th March 1858, recommending that rewards should be bestowed on his Highness the Nizam, and certain of the members of his Court, in recognition of the services rendered by his Highness personally, and by the Government at Hyderabad, during the disturbances of 1857 and 1858.

2. On the 26th February 1859, the Governor General had the satisfaction of addressing his Highness a letter, of which you were the bearer, thanking him for the zeal and constancy with which he had adhered to the long established friendship between the two Governments, and pointing to a future time at which it might be in his Excellency's power to offer his Highness a public mark of the acknowledgments of the British Government.

3. It is not necessary to refer to the circumstances which have compelled the Governor General to defer the fulfilment of this intention to the present time. It will suffice to say that the subject has never been lost sight of, that the claim established by the Nizam to the good will and favour of the British Government has been steadily borne in mind, and that the Governor General in Council cheerfully embraces the present opportunity of testifying to his Highness the high estimation in which his past conduct is held, and the value set upon his friendship, of which that conduct has afforded many striking proofs.

4. It is the desire of the Governor General in Council that you will request the Nizam's acceptance of presents of English manufacture, valued at one lakh of rupees. These will be procured in Calcutta, and forwarded by an early conveyance to Hyderabad. On their arrival you will seek an interview with his Highness at a public Durbar, and present them to him as a token of friendship on the part of the Governor General in Council, and as an earnest of the desire of the British Government for a lasting concord between the two States, whose interests are in all respects the same. You will, at the same time, present his Highness with a khureeta from the Viceroy and Governor General, which will hereafter be sent to you, and you will inform his Highness that his valuable services and those of his faithful and able Minister are already highly appreciated by the Queen's Government, and will now again be specially brought to Her Majesty's gracious notice.

5. His Excellency in Council is further pleased to cede to his Highness in perpetuity the State of Shorapore, which by the rebellion of the late Rajah lapsed to the British Government, whose title thereto has been shown in my letter, No. 1680, dated the 7th May last, to be absolute and indefeasible. You will make over the Shorapore Territory to the agents of the Nizam's Government, who may be appointed to receive charge of it. The surplus revenue which accrued during the period of British occupancy, after paying all expenses, civil and military, may be applied to the discharge in part of the late Rajah's debts, for the rest of which the Nizam, as the new possessor of the territory, will be responsible; but the time and manner of defraying them must be left entirely to his Highness, and the creditors must be made to understand distinctly that the British Government does not in any way guarantee the payment of their demands, and will not interfere in their behalf.

6. It is also the wish of the Governor General in Council, without abrogating or in any way invalidating the Treaty of 1853, to take this favourable opportunity of modifying existing arrangements in such a way as to conduce as far as possible to the maintenance of the Nizam's dignity and honour, and to the avoidance of all possible causes of discussion, such as are not unlikely to arise while every item of expenditure in connexion with the administration of the assigned districts is liable to be canvassed, and the propriety of every improvement

provement called in question. To effect this object in a way somewhat similar to that which has been adopted with mutual satisfaction in the case of the Maha Rajah Scindiah, the Governor General in Council is prepared to submit to a large sacrifice of revenue. But the Governor General in Council will on no account consent to forego the fundamental principle of the Treaty of 1853, namely, that so long as the Contingent is maintained, the British Government shall hold a material guarantee for its punctual payment. His Excellency in Council is convinced that the existing Treaty is in that respect a security absolutely necessary, no less for the support of his Highness's throne, and the safety of his person, than for the preservation of friendly relations between the two States, and the maintenance of tranquillity throughout his Highness's dominions.

7. At present it appears from a memorandum furnished by you to the Governor General, that the revenue of the assigned districts, fairly estimated, is, in round numbers, 45 lakhs of rupees, while the expenditure, including civil payments, the expense of the Contingent, interest and other treaty obligations and public works, amounts to 47½ lakhs, showing a deficit of 2½ lakhs of rupees. But then it must be admitted that the civil payments* are much higher than they would have been under the native rule, while the charges under the head of public works† are such as probably would not have been incurred at all. It was the expectation of the Nizam, when the Treaty was signed, that the expense of managing the districts would not exceed two annas in the rupee, or 12½ per cent., and though on the whole the expense of administration has not been greater than is usual in British districts, or greater than is necessary for efficient Government, yet, taking into consideration the circumstances under which, and the objects for which, the Treaty was made, the Governor General is not disposed to charge the Nizam for administering a country which really belongs to him, more than he would himself have incurred, and more proportionally than he incurs in the rest of his dominions.

8. Taking, then, the payments to be provided for, under the Treaty, at 30½ lakhs*, it would require an addition of 4½ lakhs to provide for the rate of expenditure admitted by the Nizam's Government on lands yielding a gross revenue of 35 lakhs†. The Governor General in Council is prepared, therefore, to give up so much of the assigned districts as yields a gross revenue in excess of that sum, and also to admit the excess civil expenditure of past years as a set off against the Nizam's debt of 50 lakhs of Hyderabad rupees, and to make a further reduction of 2,50,000 rupees on account of the interest thereon, so as to reduce the gross revenue of the districts to be kept under British management to 32½ lakhs of rupees, provided the Nizam will agree to a final settlement of accounts on this basis up to the present time, and will forego for the future the rendering of accounts by the British Government, and will leave the districts in its possession to be managed in the best way according to its own judgment, with all chances of profit or loss, on the understanding that the Contingent shall be kept up as at present, and that, if hereafter its strength shall be reduced with the consent of both parties, a further restoration of territory shall be made.

9. These proposals are so obviously for the advantage of the Nizam's Government, that the Governor General cannot anticipate otherwise than that they will be readily accepted, and that his Highness will see in them the evidence of a sincere willingness on the part of the British Government, at a pecuniary sacrifice, to strengthen his hands, to maintain the dignity of his Government, to improve his resources, and remove all occasion of future disagreement.

10. If his Highness agrees to the conditions you are thus authorised to propose to him, it will have to be considered immediately how the revised arrangements may best be carried out. It would in all respects be most convenient to the Government to give up to the Nizam the districts of Dharaseo and Raichore, and to retain only East and West Berar with such additions as may be necessary to make up the full amount of 32,50,000 rupees a year. The present revenues of the Berar districts are about 26,00,000 rupees, and if to this be added the Surf-i-Khas estates in those districts, it would probably not be difficult for his Highness to give in exchange some pergunnahs adjoining Berar, yielding a revenue sufficient to make up the difference, especially if this difference be reduced by compensation for the territory on the left bank of the Godavery, the cession of which you have been enjoined to negotiate, and for

*Contingent	-	26,75,000
Miscellaneous	-	3,75,000
TOTAL	-	Rs. 30,50,000
† Thus—		
Gross Revenue	-	35,00,000
Deduct 12½ per cent.	-	4,37,500
		Rs. 30,62,500

the customs collections in the Godavery, which it is the desire of the Government of India that the Nizam should be induced by the offer of an equivalent to relinquish.

11. By holding Berar alone, the expenses of management may be economised to a much greater extent than if any portion of the districts of Dharaseo or Raichore were to remain in the hands of the Government. At the same time it is of the greatest importance that all the Surf-i-Khas estates included within the ring fence of the Berar districts, should come entirely into the possession and under the management of the British authorities, and that the boundary of the assigned districts remaining in the hands of Government should be clear and well defined.

12. With reference, therefore, to the foregoing observations, and to the contents of my separate letters noted on the margin, I am directed to recapitulate as follows :

1st. That you will request the Nizam to accept presents from the Governor General to the value of a lakh of rupees.

2nd. That you will make over to his Highness in full sovereignty the lapsed Suwasthan of Shorapore.

3rd. That you will propose to his Highness to relinquish to the British Government the whole of his possessions on the left bank of the Godavery, receiving an equivalent for the same.

4th. That you will propose to his Highness to relinquish the levy of all customs dues on the Godavery, receiving an equivalent for the same.

5th. That you will propose to his Highness to dispense with the accounts of the receipts and expenditure of the assigned districts.

6th. That conditional on acceptance of the fifth proposal, you will inform his Highness that the Government will agree to cancel the debt of 50 lakhs, to forego all further demand on account of interest, and to give up so much of the assigned districts as will leave in its possession territory yielding 32½ lakhs of rupees.

7th. That conditionally, as above explained, you will propose to his Highness that the British Government should relinquish the districts of Dharaseo and Raichore, and should keep East and West Berar increased by the absolute transfer of the Surf-i-Khas estates included therein, and by so much adjoining territory as will make up a total gross revenue of 32½ lakhs of rupees, less whatever it may be agreed upon to deduct as an equivalent for the cession of the left bank of the Godavery, and the relinquishment of the river customs.

13. The Governor General in Council is generally averse from mixing up concessions of grace and acts of friendly acknowledgment with arrangements proposed for mutual convenience, but in the present instance the object of freeing both ourselves and the Nizam from the cumbrous and vexatious arrangements arising out of the Treaty of 1853, and at the same time of putting the navigation and trade of the Godavery on a satisfactory footing, is so important, and so likely to be facilitated by dealing with these questions simultaneously and broadly, that his Excellency in Council is content to waive the objection.

(No. 4.)

(Extract.)

Lord Canning to Sir Charles Wood, Bart., G.C.B., Her Majesty's Secretary of State for India.

Foreign Department, Camp Peprode,
5 January 1861.

Sir,

I HAVE the honour to transmit, for the information of Her Majesty's Government, copies of the documents entered in the accompanying abstract of contents, in continuation of those which formed the Enclosures of the Despatch, No. 117, addressed to you on the 8th September last.

2. Among

2. Among the papers then transmitted was a copy of a letter to the Resident of Hyderabad, dated the 7th July, No. 2518, in which, amongst other things, he was instructed :

1st. To make over to the Nizam in full sovereignty the lapsed Suwasthan of Shorapore.

2nd. To propose to his Highness to relinquish to the British Government the whole of his possessions on the left bank of the Godavery, receiving an equivalent for them.

3rd. To propose to his Highness to dispense with the accounts of the receipts and expenditure of the assigned districts.

4th. To inform his Highness that, conditional on his acceptance of the last proposal, the Government would agree to cancel the debt of 50 lakhs due by his Highness, to forego all further demand on account of interest, and to give up so much of the assigned districts as will leave in its possession territory yielding $32\frac{1}{2}$ lakhs of rupees.

5th. Conditionally, as above explained, to propose to his Highness that the British Government should relinquish the districts of Dharaseo and Raichore, and should keep East and West Berar, increased by the absolute transfer of the Surf-i-Khas estates included therein, and by so much adjoining territory as will make up a total gross revenue of $32\frac{1}{2}$ lakhs of rupees, less whatever it may be agreed upon to deduct as an equivalent for the cession of the left bank of the Godavery, and the relinquishment of the river customs.

3. The objects in view in making the above proposals are explained in detail in the letter of instructions above referred to. It will be sufficient to advert briefly to some of the leading points of the negotiation.

4. The fundamental principle of the Treaty of 1853 was, that the British Government should have a material guarantee for the punctual payment of the Hyderabad Contingent; and, with this object, certain districts were placed by the Nizam under our management on the understanding that we should render accounts of receipts and disbursements to his Highness, and make over to him any surplus revenue that might accrue.

5. This obligation to render accounts to the Nizam has proved a fruitful source of difference. Not only has the amount of many items of our expenditure been matter of discussion with the Hyderabad Durbar, but the expediency of our improvements has been called in question, and it has come to the knowledge of the Government, although the raising of a distinct issue on such points has been avoided, that on certain classes of improvements, improved education, for instance, there would have been decided opposition to any expenditure whatever.

6. It was expected by the Nizam that the expense of management would not exceed $12\frac{1}{2}$ per cent. on the gross revenue. But within this limit it was not possible to secure an efficient administration of the districts and to provide for works of public utility. In fact, the country could not be governed creditably according to our view of the duties of a Government, without spending more money than the Nizam would consent to see spent, and a persistent attempt so to govern it would have led to constantly recurring and irritating disputes.

7. The revenue of the assigned districts has been estimated at 45 lakhs of rupees, while the total expenditure has been $47\frac{1}{2}$ lakhs. The payments provided for under the Treaty amount to $30\frac{1}{2}$ lakhs.

8. It was thought that the occasion of ceding to the Nizam in perpetuity the lapsed state of Shorapore, and bestowing other rewards upon him for the services rendered by him during the disturbances of 1857-58, was a favourable opportunity for making the proposals described in paragraph 2.

9. The Nizam readily agreed to most of the above proposals; but he was not disposed at first to consent to dispensing with the obligation of the British Government to render accounts of receipts and expenditure, from an apprehension that his complete sovereignty over the retained districts might be

compromised by his doing so. He was also reluctant to consent to the administration of those districts through any other agency than that of the Resident at Hyderabad.

10. It was explained to the Nizam that the Government of India desired to hold the assigned districts not in sovereignty, but in trust, and for so long as the Contingent was kept up, and no longer. Also, that it desired to hold only so much of the assigned districts as would meet the actual charges, provided for in the Treaty, and yield $12\frac{1}{2}$ per cent. on the gross revenue towards the payment of the expense of administration. The Berar districts, he was told, would still form an integral part of his Highness's dominions, and would be restored to him entire whenever it should seem fit to the two Governments to terminate the engagement under which the Contingent was kept up.

11. The sacrifice which the British Government had offered to make was brought to the notice of his Highness, and an expectation was expressed that, in consideration of this sacrifice, some concessions would be made by the Nizam. The dispensing with the rendering of accounts, and the absence of restriction in regard to the system and agency of the administration of the districts retained, were objects for the attainment of which the British Government had been induced to incur the certainty of a present and the chance of a long-continued pecuniary loss; and his Highness was strongly urged to comply with the wishes of the Government on these points.

12. After some hesitation, the Nizam consented to dispense with the accounts, past, present, and future, and to leave the amount of all expenses of administration entirely to the discretion of the British Government, but he adhered to his objections to the transfer of the administration from the control of the Resident of Hyderabad. It was finally agreed that the British Government should cancel the debt of 50 lakhs, and forego all further demands on account of interest; that the districts of Raichore and Dharaseo should be restored to the Nizam; that the British Government should retain East and West Berar, and receive in addition the whole of the Crown lands in those districts, and so much of the intermixed and adjoining territory as would make up in all a present gross annual revenue of 32 lakhs of rupees; that those districts should be under the supervision of the Resident at Hyderabad; that no accounts should be rendered to the Nizam; that when a surplus revenue accrued it should be made over to his Highness, but that all charges which the officers of the British Government might consider proper and necessary for the administration of the districts should be defrayed from the revenues without question before any surplus could be made over to the Nizam, and that any deficiency arising from excess of expenditure over income in one year should be made good from the surplus in another year.

13. The Nizam further agreed to cede to the British Government in full sovereignty, for an equivalent, the whole of his possessions on the left bank of the Godavery and Wyne Gunga, and to declare the navigation of the Godavery and its tributaries, so far as they formed the boundary between the two states, to be free.

14. The above stipulations have been embodied in a Supplemental Treaty, which, after having been duly executed by the Nizam and by Lieutenant Colonel Davidson on behalf of the British, was ratified by me on the 31st ultimo.

15. It will be seen from the correspondence now forwarded, that the promise of the Nizam has been obtained, that the Madras Railway and Irrigation Companies shall be allowed to take whatever land they may require in the districts re-transferred to his Highness under this Treaty.

16. The territory ceded by the Nizam on the left bank of the Godavery has already been made over to the charge of the Commissioner of Nagpore, and no time will be lost in carrying into effect the other transfers on either side.

(No. 131 of 1860.)

From Lieutenant Colonel *Cuthbert Davidson*, C.B., Resident at Hyderabad, to *Cecil Beadon*, Esq., Secretary to the Government of India, Foreign Department; dated Hyderabad, 6th August 1860.

Sir,

I HAVE the honour to acknowledge the receipt of your letter, No. 2522, dated the 7th ultimo, conveying the observations and orders of his Excellency the Right Honourable the Governor General of India in Council, on the financial results of the Hyderabad assigned districts, from the date of cession to the end of April 1858, as submitted in my Despatch, No. 138, of the 6th July 1859.

2. With reference to the third paragraph of your letter I beg to state, that, as I anticipated, the whole amount on account of village expenses was not claimed, and 75,647 rupees were under instructions from this office, ordered by Mr. Bullock, the late officiating Commissioner, to be carried to the credit of the general revenue.

3. In regard to your fourth paragraph, I have the honour to observe that the orders of Government have been already obeyed in the accounts lately submitted demi-officially to your office in regard to the sum principal of the debt due by the Nizam, on which interest should be calculated.

4. Referring to your fifth paragraph, I do not think that, under new arrangements, the Minister will require the submission of the accounts of the Hyderabad assigned territories, if the debit against the districts restored is remitted, which I understand is contemplated, from the general tenour of your Despatch, No. 2518, of the 7th July 1860.

5. Should, however, the Nizam, or his Minister, require the accounts from April 1853, I beg to be informed whether I am to forward those prepared in my office, in communication with the paymaster and the district officers, or if I am still to await those so long promised by the Accountant General. Those prepared in my office were embodied in the financial portion of the administration report of the assigned districts forwarded to your office on the 23rd June last.

6. What I apprehend has caused most of the confusion and inconvenience in adjusting these accounts is, that we rather regarded ourselves as dealing with imperial revenue, than with revenue really belonging to the Nizam, and made over to us under restriction, and for special purposes. The Treaty of 1853 appears to me clearly to provide, and certainly it was so understood by the native government, that these accounts were to be furnished by the Resident, not by the Accountant General. A departure from this principle has, I believe, greatly embarrassed our proceedings by occasioning a delay in placing the results of our administration before the Nizam, naturally tending to engender disappointment, which it was difficult to appease, and elicit remonstrances which it daily became more perplexing to reply to satisfactorily.

7. The Resident's accounts could have been promptly prepared had all the accounts from the assigned districts passed through his office to that of the Accountant General. They would have been equally under the Accountant General's final control, as when forwarded piecemeal to that functionary by the district officers, while any documents from the districts could have been transmitted to him direct which he considered necessary. I would beg to express my conviction that much cause of reasonable dissatisfaction on the part of the native government would have been removed, while the interests of all parties would have been abundantly secured had the audit of the expenditure been entrusted to the Resident, subject to the general supervision of the Calcutta authorities.

8. In illustration of the perpetually recurring difficulties which the present system involves, I may remark that the paymaster of the Hyderabad Contingent informs me he has only just received his accounts, passed by the Auditor General, for the months of August and September 1859.

9. It is quite true, as his Excellency remarks, that it would have been premature to anticipate any objections to particular items of account, but objection had already been taken by the Minister, particularly in the instance of the abolition of the customs duties.

10. Immediately after my arrival at Hyderabad, he verbally addressed me on this subject, and showed that he was quite conversant without being furnished with the annual accounts, with all receipts and expenditure in the assigned districts. This could hardly have been otherwise, as the native Amlah employed by us were generally the same as those originally employed by the Hyderabad Government. Indeed, he informed me that he had conferred with, and remonstrated with, my predecessor on the heavy expenditure he was allowing in the assigned districts, and particularly protested against the abolition of the *sayer* (customs duties), as revenue assigned for the due payment of the contingent and the Treaty engagements; it will be seen from this, that I did not anticipate objections, but my intention was to prepare Government to expect those I felt certain would be urged, on the annual accounts in detail being transmitted to the Minister.

(No. 67 of 1860.)

(Extract.)

Lieutenant Colonel *C. Davidson*, c.b., Resident at Hyderabad, to the Secretary to the Government of India, Foreign Department; dated Hyderabad Residency, 12th August 1860.

Sir.

I HAVE the honour to acknowledge the receipt, on the 20th ultimo, of your Despatch, No. 2518, dated the 7th July 1860, and to state that, agreeably to the instructions therein contained, I, on the 21st idem, invited the Minister to a conference, and placed the note marked A, herewith appended, in his hand, with a request that he would submit it to his Highness the Nizam, pointing out the great advantages to be obtained by the Hyderabad Government from the terms now offered by the Viceroy and Governor General.

2. On the 23rd July (ultimo), the note and certain explanatory papers showing in detail the advantages his Highness was obtaining, were submitted to the Nizam by the Minister, through his *vakeel*. His Highness caused these documents to be read three times over, then put them all into his pocket, and said he would give a reply after the festival of the Mohurram; he subsequently met Shums-ool-Oomrah, and said the same to him.

3. The only remark of any consequence made by the Minister was in regard to the 5th, 6th, and 7th propositions of Government, viz., are these districts in Berar valued at 32½ lacs to become "red," and incorporated into British territory? I replied, I was instructed to negotiate, so that annual accounts should not be required, and that we should manage the administration without any discussion as to expenditure, taking on ourselves the responsibility for all loss or gain.

4. To this the Minister replied, that would be making them over to you, as Bellary, &c., meaning the "ceded districts," and they would be no longer the Nizam's territory. I remarked that the Governor General had made a similar arrangement with Scindiah, which was for the mutual convenience of both Governments. Salar Jung did not apparently like the allusion made to Scindiah, and I have observed this on two recent occasions, remarking that the Nizam was of a much higher rank among the princes of India than Scindiah, and that he had no hope that his Highness would willingly assign any territory to us, unreservedly, without an equivalent.

5. I referred to my note, and replied that my Government only required the uncontrolled management, and not to render annual accounts of the Berar districts, and that it would perhaps be better to enter into no further preliminary discussion till he had submitted the whole of the propositions, and received the orders of the Nizam in regard to them.

6. The Nizam, as it will be observed, took several days for consideration, and

and after much counsel with his immediate followers, and a conference with Shums-ool-Oomrah, whom I earnestly urged to advise him to accept without reserve all the propositions of the Governor General, his Highness sent, on the 6th instant, for Shums-ool-Oomrah and his Minister to the Durbar, and after being closeted privately with the former noblemen for two hours, he sent for Salar Jung, and said, why are my Surf-i-khas (crown lands) required? Salar Jung replied, they are in the heart of the assigned territory, and cause incessant disputes about jurisdiction and authority between the English officers and your Highness's Naibs. But where is the equivalent? wherever your Highness pleases; estates of their value can immediately be given from the Dewaull revenues. On this his Highness assented.

7. The only other objection raised was with reference to furnishing annual accounts. His Highness asked why should the Treaty made so lately by his father not be adhered to? Salar Jung replied, rendering annual accounts was found inconvenient, and led to unpleasant discussions, which it was the Governor General's object now finally to end. His Highness remarked, there always must be more or less discussion between the two Governments, and that, in every Treaty and agreement the Hyderabad Government had been called on to enter into for the last 100 years, this plan was invariably urged to induce compliance with the requests of the British Government. His Highness then said, you have the accounts, however, since the cession? The Minister answered; no, they have not been furnished, except for one year, which were not understood, and explanation begged for, and since then they have not been received.

8. His Highness then ordered the Minister to forego requiring the annual accounts of the assigned districts; but said, write and tell the Resident, I make over the two Berar districts, my best and richest country, to his management, according to the Treaty of 1853; and when there is a surplus beyond the expenditure, after everything is paid, I require him to pay it into my treasury. The Minister's note, in reply to my note of the 21st July 1860, is herewith enclosed, marked (B.)

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12. My greatest difficulty in this negotiation has been to counteract the impression on the Nizam's mind, that we were merely giving him back what is his own, however advantageous the terms that we offered, and that our intention was to persuade him to consent that the Berar districts should be incorporated with the neighbouring British territory. This idea became more confirmed, as a mischievous rumour was for several days current (by whom propagated, I know not), that the Berar districts were to be incorporated with the province of Nagpore.

13. The above must account for my being unable to obtain the entire possession and a more complete cession of these districts to our Government, in spite of every argument I could urge in favour of such an arrangement.

14. On receiving your telegram of the 4th August (instant), which only reached me on the 9th idem, when all the negotiations were just on the point of conclusion, and the Nizam had given his consent to forward the answer enclosed, I, in accordance with the instructions of the Governor General, therein communicated, renewed the negotiation with the Minister, but he said it would be of no use to address his Highness, as already he had had the greatest difficulty in removing the Nizam's suspicions on the point of the cession of Berar, and that, if again pressed, all that had already been accomplished would be nullified.

Enclosure No. 2.

15. I possibly might have been able to induce the Nizam to assent that the British Government should manage the Berar districts by any agency thought most economical and advantageous, had I been able to inform his Highness what the proposed agency was. The Minister put the question, but as I was not in possession of the views of the Government of India, I was unable to give him any reply.

16. We have now, however, obtained the material guarantee for the pay of the Contingent, &c., the fundamental principle of the Treaty of 1853; and

I cannot think, reviewing all the circumstances under which that Treaty was forced * on the Hyderabad Government, and its peculiar nature, that after the Nizam has shown such repugnance to cede unconditionally any portion of his dominions to our management, that it would be a gracious or generous policy to exact any better or more convenient terms for ourselves than we now obtain, especially with reference to the sentiments expressed in the first five paragraphs of your Despatch under acknowledgment.

17. We take, without furnishing annual accounts, which arrangement has been found inconvenient, territory in Berar, in trust (amaull), under our immediate management, for certain specific purposes, with $32\frac{1}{2}$ lacs of rupees of annual gross revenue, but which the calculation of the district officers, according to the administration report of this year shows, will in a few years at the very least, increase by nine lacs; so we are sure eventually to repay ourselves any expenditure on account of present establishment that we may think actually necessary, and that may be above the revenue receipts as they are just now.

18. It seems hardly necessary for me here, without reference to the virtual possession of the Berar districts, to recapitulate all the advantages we obtain, by having such a body of troops as the contingent, at our command, without costing us a single rupee; while we hold a material guarantee for their regular payment. True, the force is intended specially to ensure the tranquillity of the Hyderabad territory, but tranquillity there promotes peace within our own frontier, and these troops, as was shown in the Central India Campaign, can be made most useful to our Government as an auxiliary force. It therefore appears to me that on this account alone, if on no other, we should not dictate to the Nizam anything in regard to his districts which is distasteful to him, when we have gained the material guarantee for the pay of the contingent, the fundamental principle contemplated in the Treaty of 1853.

19. I have heard it argued, why take upon ourselves the trouble and responsibility of managing territory that belongs to the Nizam, without receiving any advantage for our good administration, by obtaining whatever may hereafter be the surplus revenue. I believe I have shown some of the advantages we obtain in the preceding paragraph. Moreover, I do not think such an argument deserves much weight. We obtain what we state we alone require, viz., a material guarantee for the regular pay of the contingent. If we require anything else, in my opinion we are bound plainly to say so. Then again, it would be a most selfish policy to deny to the people of the Berar districts as good a government as we can give them, because we put ourselves to some trouble and inconvenience in managing these districts as trustees for his Highness the Nizam. The whole people of India appear to me entitled at our hands to everything we can do for them in the way of good government, without entering too minutely into the question of profit and loss; and in this instance I think it is clear we make no pecuniary sacrifice.

20. The only other matter in the present negotiation which it appears requisite for me to notice in this Despatch is in regard to the 4th proposition of the Government of India. The Hyderabad Government is willing to relinquish the levy of all custom's dues on the Godavery and its confluent, which may be determined as the frontier of the two territories, and the Minister informs me, will require no equivalent, as the income is at present of very small amount. He does this, he says, to prove his anxiety to meet all the wishes of the British Government; but at the same time he observes, it is not intended by this arrangement to relieve merchandize brought by the Godavery route, from the usual duties, if it is sent into the interior or to Hyderabad for sale, nor will it relieve exports from the duties, amounting to a maximum of 5 per cent. *ad valorem*, now generally levied at the market in the Nizam's territory, where the goods are brought, but merely to clear the immediate rivers, viz., the Godavery and its feeders, named as the frontier line, from all cesses of every description.

21. I hardly think we could expect anything more from the Hyderabad Government

* *Vide* Parliamentary Blue Book, ordered to be printed by the House of Commons, 26th July 1854.

Government, unless it is our wish to give the East Coast trade by the route of the Godavery, an unfair advantage and privileges over that of the west and other routes.

22. The only way to relieve trade thoroughly and fairly of the five per cent. we have guaranteed to the Nizam by the Treaty of 1802, without showing a preference to one set of traders, or routes, over another, would be to purchase the whole right of the Nizam to levy any cesses whatever on imports from, or exports, to British territory; but as this is a very comprehensive question, and would involve a very large disbursement of money, I would on this point beg to be favoured with instructions.

23. It will be seen by a separate note, marked C, that if we restore the Raichore Doab to the Nizam, I have provided that ground sufficient for the purposes of the Madras and Great Peninsular Railway Company, which will have their junction at "Moodgul" in that district, and for the extension of the Madras Irrigation Company to "Pangtoor" from "Kurnool," shall be allowed, and to this the Minister has assented. He also informs me that all agreements (Cowls) entered into by our officers which have a further period to run on, shall be respected and held valid.

(A.)

TRANSLATION of a NOTE from the Resident to the Minister; dated 21st July 1860.
(1st Mohurrum 1277.) No. 1114.

I BEG to enclose extracts of five paragraphs of a letter from the Secretary to the Government of India, expressing the thanks of his Excellency the Viceroy and Governor General of India, and to request that the same may be communicated at an auspicious moment to his Highness the Nizam. In addition to the above I have received orders as follows:

1. That I would request the Nizam to accept presents from the Governor General to the value of a lac of rupees.

2. That I would make over to his Highness, in full sovereignty, the lapsed Suwasthan of Shorapore.

3. That, in consequence of your having repeatedly requested on the part of his Highness the Nizam that I would submit to the Governor General that the whole of the assigned districts should be restored to his Highness, and that he would make satisfactory arrangements for the punctual monthly payments of the Contingent, the Governor General has not thought it advisable to accede to the above request, and makes the following observations: "But the Governor General in Council will on no account consent to forego the fundamental principle of the Treaty of 1853, namely, that so long as the Contingent is maintained, the British Government shall hold a material guarantee for its punctual payment. His Excellency in Council is convinced that the existing treaty is in that respect a security absolutely necessary, no less for the support of his Highness's throne and the safety of his person, than for the preservation of friendly relations between the two States, and the maintenance of tranquility throughout his Highness's dominions".

4. That I would propose to his Highness to relinquish to the British Government the whole of his possessions on the left bank of the Godavery, receiving an equivalent for the same.

5. That I would propose to his Highness to relinquish the levy of all customs dues on the Godavery, receiving an equivalent for the same.

6. That I would propose to his Highness to dispense with the accounts of the receipts and expenditure of the assigned districts.

7. That, conditional on acceptance of the sixth proposal, I would inform his Highness that the Government will agree to cancel the debt of 50 lacs, to forego all further demand on account of interest, and to give up so much of the assigned districts as will leave in its possession territory yielding $32\frac{1}{2}$ lacs of rupees.

8. That conditionally, as above explained, I would propose to his Highness that the British Government should relinquish the districts of Dharaseo and Raichore; and should keep East and West Berar, increased by the absolute transfer of the Surf-i-Khas estates included therein, and by so much adjoining territory as will make up a total gross revenue of $32\frac{1}{2}$ lacs of rupees; less whatever it may be agreed upon to deduct as an equivalent for the cession of the left bank of the Godavery, and the relinquishment of the river customs.

I beg the Nizam may be informed that the revenues of the assigned districts for 1859-60 (1269 Fuslee) is estimated at 45,59,000 Co's rupees.*

* This paragraph was inserted at the request of the Minister, in order to make intelligible certain financial statements he had to submit.

(B.)

TRANSLATION of a NOTE from Mookhtar-ool-Moolk Salar Jung Bahadoor, Minister to his Highness the Nizam, to the Address of Colonel *C. Davidson*, C.B., Resident at Hyderabad, dated 22nd Mohurum H. 1277 (11th August 1860).

(No. 1451.)

I HAVE been favoured with your letter, No. 1114, dated 1st Mohurum H. 1277 (21st July 1860), giving cover to a copy of five paragraphs from a despatch from the Supreme Government. (Here the purport of the Resident's letter is recapitulated.) I have submitted your letter to his Highness the Nizam, and have received his commands to say that his Highness will have much pleasure, and derive great gratification, in accepting the presents referred to, and in receiving the Shorapore Suwasthan under his government and control.

2. The districts situated on the left bank of the Godavery River, namely, Rakapilly, Buddrachellum, Cherla, Albaka, Noorgoor, and Sironcha, as specified in your letter, No. 1174, dated 15th Mohurum 1277 (4th August 1860), which the British Government requires, will be delivered over, and others will be taken in lieu of them by the Nizam's Government.

3. With a view to the convenience and facility of British traders and others, the transit and other duties levied on the banks of the Godavery will be abolished by the Nizam's Government, and no compensation will be required from the British Government. But upon all goods imported or exported from his Highness's territories in that direction, a duty of five per cent. will be levied agreeably to the Treaty, with the exception of salt, on which a different rate is leviable in accordance with usage by the Nizam's Government.

4. The proposal to cancel the debt of 50 lacs due by the Nizam's Government to the British, with interest thereon, on condition that no accounts of receipts and disbursements of the assigned districts shall in future be required from the British Government, is accepted by his Highness the Nizam, and no accounts will be required; and his Highness will leave in charge of the British Government in "Amanee" Districts, yielding a gross revenue of about 32,50,000 Company's rupees, or such an amount as shall suffice to cover the charges of the pay of the contingent, the yearly stipends of Appah Dessaye, and Mohiput Ram's family, and the amount payable to the Mahratta Salianadars, as provided by the Treaty, together with the charges of management (Sibbrundy Ladur), at the rate of two annas per rupee, and will take back all districts surplus to the above.

5. The entire management of the districts which shall remain in the hands of the British Government shall be vested in the Resident, as provided by the Treaty.

6. The districts assigned as above, shall continue to bear the name of his Highness the Nizam, and these districts, or the revenue therefrom, shall not be incorporated with those of the British Government.

7. As there is prospect of a large increase in the revenues of the Berar Districts, therefore, after deducting all charges of management, for which no objections whatever shall in future be brought forward by his Highness the Nizam, together with the charges of the payment of the contingent, Appah Dessaye, Mohiput Ram's family, and the Mahratta Salianadars, whatever surplus shall remain shall be paid over to his Highness through the Resident. If at any time a deficiency occur in the revenues of the above districts, no demand shall be made on the Nizam's Government to supply it, but it must be met by the future increase of those revenues, and with the views that his Highness's Government may be informed of the increase of revenue, the British Government will adopt such measures as may be deemed advisable.

8. His Highness the Nizam will leave in "Amanee" with the British Government, agreeably to the above conditions, from among the districts of East and West Berar, and the Surf-i-Khas, and other talookas situated within the limits of those districts and the talookas on the left bank of the Godavery districts, yielding about 32,50,000 Company's rupees, or as much as will suffice to cover the items specified in the 4th para. of this letter, and will receive back the remaining talookas in the zillahs of Dharaseo, Raichore Doab, &c., on account of the surplus, and in lieu of the talookas of the Surf-i-Khas, my jagheers of Montoosapoor, &c., and the talookas on the left bank of the Godavery.

9. His Highness the Nizam has been informed that the revenues of the assigned districts for the year 1859-60, corresponding with the Fuslee year 1269, amount to 45,59,000 Company's rupees.

Note.—The Minister requested to give his own translation of the Persian note herewith annexed.

Hyderabad Residency, 12 August 1860.

(signed) *C. Davidson*, Resident.

(C.)

TRANSLATION of a NOTE from the Resident to the Minister; dated 12th August 1860 (23rd Mohurum 1277). No. 1216.

YOUR Note, No. 1451, of yesterday's date, communicating the instructions of his Highness the Nizam, in reply to his Excellency the Viceroy and Governor General's propositions contained in a letter dated the 7th July ultimo, has been received.

2. If the Raichore Doab is restored to his Highness, it will be necessary to grant ground sufficient for the canal of the Madras Irrigation Company between Pangtoor and Kurnool, as well as for the purposes of the Railway Company between Bombay and Madras, *vid* Moodgul, as this promise has already been held out to the Railway and Irrigation Companies.

3. On the restoration of the talooks to the Nizam's Government, all agreements and covenants already entered into by the district officers must be respected and held valid.

(No. 71 of 1860.)

From Lieutenant Colonel *C. Davidson*, c.b., Resident at Hyderabad, to the Secretary to Government of India, Foreign Department; dated Hyderabad Residency, 14th August 1860.

Sir,

ADVERTING to the concluding paragraph of my Despatch (No. 67) of the 12th instant, I beg to submit, for the information of his Excellency, the Viceroy and Governor General of India, the accompanying copy and translation of a note received from the minister, by which it will be seen that the Nizam's Government has given its formal and official assent to provide ground sufficient in the Raichore Doab district, in the event of its restoration, for the purposes of the Railway and Irrigation Companies.

No. 1457, dated 13th August 1860—24th Mohurum 1277.

TRANSLATION of a NOTE from the Minister to the Resident; dated 13th August 1860 (24th Mohurum, 1277). No. 1457.

YOUR note of yesterday's date, No. 1216, regarding land required for the railway and irrigation companies in the Raichore Doab district has been received. Agreeably to your proposal, the lands requisite for the above purposes between Pangtoor and Kurnool, and in the Moodgul district will be granted by this circular if the Raichore Doab is restored to his Highness. I beg to add that all covenants and agreements which have been entered into by the district officers in the districts, will be adhered to and respected during the period which they have yet to run.

(Foreign Department—No. 3889.)

From *A. R. Young*, Esq., Deputy Secretary to the Government of India, to the Resident at Hyderabad; dated Fort William, 5th September 1860.

Sir,

I AM directed to acknowledge the receipt of your letter (No. 67) of the 12th ultimo, and to express the satisfaction of the Governor General in Council at the readiness shown by the Nizam to accept, for the most part, the proposals made to his Highness in Mr. Beadon's letter of the 7th July. His Excellency in Council also gladly acknowledges the ability and tact with which you have conducted the negotiations to their present stage.

2. It is now agreed on the part of the two Governments,

1st. That the Sawasthan of Shorapore shall be ceded by the British Government in full sovereignty to the Nizam.

2nd. That the whole of the Nizam's possessions on the left bank of the Godavery and Wynegunga, shall be ceded by the Nizam in full sovereignty to the British Government.

3rd. That the navigation of the Godavery and its tributaries, so far as they form the boundary between the two States, shall be free, and that no customs duties shall be levied on goods passing up and down those rivers.

3. In regard, however, to the rest of the plan proposed by the Government of India, there are two points on which the reply of his Highness, as given in the minister's note of the 11th August, is not altogether in conformity with the views of the Governor General in Council, or consistent with the object for which the arrangement, as a whole, was proposed. These two points are; first, the rendering of accounts by the British Government in respect to such part of the assigned districts as may remain in its possession in trust for the performance of the obligations imposed by Art. VI. of the Treaty of 1853; and, secondly, the arrangements for the future administration of those districts.

4. The Governor General in Council gathers from your letter, and its enclosures, that these two points were not placed before his Highness as clearly as might have been wished, and that when you were asked by the minister for explanation as to the footing on which the Government of India desired to hold the Berar districts, a more explicit reply would, perhaps, have served to remove from the Nizam's mind the objections which he appears to have felt to this part of the arrangement. The minister's remark, that it would be making the districts over to the British Government, as Bellary, &c., and that they would be no longer the Nizam's territory, should have been met by a direct denial.

5. I am therefore desired to request that you will again address the Nizam on the subject, explaining to his Highness distinctly that the object of the Government of India in retaining in its hands a part even of the assigned districts, is simply that it may hold a material guarantee for the performance of the conditions of Art. VI. of the Treaty of 1853, and that the Government of India desires to hold this territory, as it has hitherto held the whole of the assigned districts, not in sovereignty, but in trust for his Highness, so long as the contingent is kept up, and no longer.

6. The districts remaining in the hands of the Government of India for this purpose, will continue to be called "the Hyderabad Assigned Districts," or by any other suitable name that may better serve to mark the sovereignty of the Nizam; and the fact that the alienation of this portion of the dominions of his Highness is temporary only, and for a special purpose conducive chiefly to the security of the Hyderabad State, and to the preservation of tranquillity throughout its limits.

7. The Nizam cannot be unaware that in consenting to relinquish so large a portion of the assigned districts, and to keep in its hands only so much as will yield a gross revenue of 32 lakhs* of rupees, the Government of India subjects itself to a certain pecuniary loss of no small magnitude. Although out of consideration for the interests of the Nizam and for the long standing friendship between the two States, the Governor General in Council has consented to retain only so much of the assigned districts as will meet the actual charges provided for in the Treaty of 1853, and yield 12½ per cent. on the gross jumma in payment of the expense of administration, yet his Highness must well know that the actual expense with which the British Government will charge itself for the benefit of the districts in question, is considerably in excess of this; and that for many years to come, if not always, the administration of these districts must involve an annual charge on the imperial treasury.

8. It was only with a view to the conclusion of all pecuniary transactions between the two Governments, and to the avoidance of any such in future, that the Governor General in Council consented to this sacrifice; and if, after all, the object of the generosity of the Government of India be not attained, or if it be not permitted to adopt such measures as may conduce to the most economical and efficient management of the remaining districts, it will be necessary for the interest of the Government of India that the other parts of the arrangement to which his Highness has consented should be subject to modification.

9. The Governor General in Council cannot agree that so much of the proposed

* Half a lakh of rupees is given up as the equivalent of the loss of revenue involved in the cession of the Cis-Godavery districts and the relinquishment of customs dues on the Godavery.

posed plan as is plainly advantageous to the Nizam should be adopted, and that so much of it as enables the Government of India to indemnify itself to some extent for the loss to which it submits, and to reap the fruit of a more expensive, and, consequently, as the Governor General in Council believes, of a more efficient administration, should be rejected. Whenever the districts in question are restored to the Nizam, his Highness will derive all the future benefit that may possibly arise from their improvement while under the management of British officers.

10. So, in regard to the mode of administering the assigned districts, the Governor General in Council, while strictly regarding them as part of the dominions of the Nizam, and without incorporating them with any British district, would desire, for the sake of administrative convenience and economy, to place them under the supervision of the Commissioner of Nagpore. By this means, the office of Judicial Commissioner could be abolished, the establishment entertained at Hyderabad in connection with the administration of the assigned districts could be dispensed with, and other economical reforms could be accomplished. It is clear that, with a margin of only 4½ lakhs of rupees for expenses of management, including public works, every effort must be made to limit the expenditure within the narrowest bounds, and the surest means of effecting this is to place the districts under the administration of the Commissioner of Nagpore. They will still form an integral part of the Nizam's dominions, and will be restored to his Highness entire, whenever it shall seem fit to the two Governments to terminate the engagement under which the Contingent is kept up.

11. Having regard then to these observations, and putting aside those propositions which were unconditionally made, and to which the Nizam has already agreed, the Governor General in Council desires me to request that you will again submit to his Highness the following propositions :

1st. That the British Government should restore to the Nizam the Raichore Doab, and the district of Dharaseo.

2nd. That the British Government should cancel the debt for 50 lakhs of rupees, and forego all further demand on account of interest.

3rd. That the Nizam should dispense with the accounts of the récépts and expenditure of the assigned districts for the past, present, and future.

4th. That the Nizam should assign to the British Government in trust, for the fulfilment of the objects of the Treaty of 1853, all the Surf-i-Khas lands included within the limits of East and West Berars, and so much additional territory adjoining thereto as shall make up in all a present gross annual revenue of 32 lakhs of rupees.

12. These four propositions the Governor General in Council regards as essential parts of one arrangement to be accepted or rejected as a whole, and on this view of the case you are desired to insist. You will explain to the Nizam that it is for the advantage of his Highness that the Governor General in Council seeks to alter any of the arrangements made under the Treaty of 1853; that his Highness can of course reject the proposals that have been made to him, but that he must not expect that the Government of India can consent to his accepting so much of it as is perfectly agreeable to him, and repudiating the rest.

13. I am directed to enclose the draft of a Treaty which you will use your discretion in presenting to the Nizam for his acceptance. The Governor General in Council is of opinion that it is desirable to mark these important transactions, and the occasion which gave rise to them, by a solemn engagement, and hereby vests you with full powers in that behalf: but if his Highness objects to this, his Excellency in Council will not press it.

14. You are authorised to make over the Shorapore Territory to the Nizam without delay; and you will at the same time request the Nizam's Government to deliver over the districts on the left bank of the Godavery to the officer who may be sent by the Commissioner of Nagpore to take charge of them. The Nizam's Government should also be moved to issue a proclamation declaring the navigation of the Godavery and its tributaries, so far as they form the

boundary of the two States, to be free, and absolutely to prohibit the levy of any customs or other duties on goods passing up and down the river. The Governor General in Council does not desire in the least to interfere with the liberty of the Nizam's Government, to levy customs duty on goods entering or leaving the Hyderabad territory, whether by land or water. This is a sufficient answer to the 2nd paragraph of your letter under reply.

15. The Governor General in Council learns with much pleasure from the last paragraph of your letter under reply, and from your subsequent letter of the 14th ultimo (No. 71), that the Nizam has agreed to give whatever land may be required in the Raichore Doab (in the event of its being restored to his Highness) for the Railway and Navigation Companies, and that all agreements made by the British officers will be adhered to and respected.

DRAFT of SUPPLEMENTAL TREATY between Her Majesty the Queen of Great Britain on the one Part, and his Highness the Nawab Ufzul-oo-Dowlah Nizam ool Moolk Asuph Jah Bahadoor on the other Part, settled by Lieutenant Colonel Cuthbert Davidson, C. B., Resident at the Court of his Highness by Virtue of full Powers to that Effect, vested in him by his Excellency the Right Honourable Charles John, Earl Canning, G. C. B., Viceroy and Governor General of India, and one of Her Majesty's most Honourable Privy Council.

WHEREAS it will be for the convenience of both the contracting parties to the Treaty of 1853, and will simplify the relations of the two Governments, if certain modifications of that Treaty are made; and whereas certain matters not dealt with in that Treaty call for adjustment between the two contracting parties; and whereas it is the desire of the Governor General in Council to give all possible solemnity to certain acts marking the high esteem in which his Highness the Nizam is held by Her Majesty the Queen; therefore the following Articles have been agreed upon and determined between the Viceroy and Governor General on behalf of Her Majesty and the Nawab Ufzul-oo-Dowlah Nizam ool Moolk Asuph Jah Bahadoor.

Article I. All Treaties and engagements between the two States, and not contrary to the tenor of this engagement, are hereby confirmed by it.

Article II. The Viceroy and Governor General in Council cedes to his Highness the Nizam in full sovereignty the territory of Shorapore.

Article III. The debt of about 50 (fifty) lakhs of Hyderabad rupees, due by the Nizam to the British Government, is hereby cancelled.

Article IV. His Highness the Nizam agrees to forego all demands for an account of the receipts and expenditure of the Assigned Districts for the past, present, or future, but the British Government will pay to his Highness any surplus that may hereafter accrue, after defraying all charges under Article VI., and all future expenses of administration; the amount of such expenses being entirely at the discretion of the British Government.

Article V. The Viceroy and Governor General in Council restores to his Highness the Nizam all the Assigned Districts in the Raichore Doab and on the western frontier of the dominions of his Highness adjoining the collectorate of Ahmednuggur and Sholapore.

Article VI. The districts in Berar, already assigned to the British Government under the Treaty of 1853, together with all the Surf-i-Khas talooks comprised therein, and such additional districts adjoining thereto as will suffice to make up a present annual gross revenue of 32 lakhs of rupees currency of the British Government, shall be held by the British Government in trust for the payment of the troops of the Hyderabad Contingent, Appah Dessaye's Chout, the allowances to Mohiput Ram's family, and certain pensions mentioned in Article VI. of the said Treaty.

Article VII. The Surf-i-Khas talooks and additional districts mentioned in the foregoing Article, are to be transferred to the Resident as soon as this Treaty is ratified.

Article VIII. His Highness the Nizam cedes to the British Government in full sovereignty all the possessions of his Highness on the left bank of the River Godavery, and of the River Wyne Gunga above the confluence of the two rivers, viz., the talooks of Rakapilly, Buddrachellum, Cherla, Albaka, Noogoor, and Sironcha.

Article IX. The navigation of the River Godavery and its tributaries, so far as they form the boundary between the two States, shall be free, and no customs duties or other cesses shall be levied by either of the two contracting parties, or by the subjects of either, on goods passing up or down the aforesaid rivers.

Article X. This Treaty, consisting of ten Articles, being this day concluded and settled by Lieutenant Colonel Cuthbert Davidson, C. B., on behalf of the Viceroy and Governor General of India with the Nawab Ufzul-oo-Dowlah Nizam ool Moolk Asuph Jah Bahadoor, Lieutenant Colonel Cuthbert Davidson has delivered one version thereof, in English and Persian, signed and sealed by himself to the Nawab, who, on his part, has
also

also delivered one copy of the same to Lieutenant Colonel Davidson, duly executed by his Highness; and Lieutenant Colonel Davidson hereby engages to deliver a copy of the same to his Highness the Nizam, duly ratified by the Viceroy and Governor General within 30 days from this date, when this copy herewith signed and sealed by the British Resident will be returned signed, sealed, and exchanged at

Hyderabad on the 26th day of December, A. D. 1860
(12 Jummadee-Sanee, 1277 Hijree).

The
Initials of the
Nizam.

The
Seal of the
Resident.

(signed) *Cuthbert Davidson*, Resident.

Seal of
the Governor
General.

(signed) *Canning*.

Ratified by his Excellency the Viceroy and Governor General of India in Camp at Ammerpattun, on 31st day of December 1860.

(signed) *A. R. Young*,
Secretary to the Government of India
with the Governor General.

(No. 3889 A.)

From *A. R. Young*, Esq., Deputy Secretary to the Government of India, to the Commissioner of Nagpore; dated Fort William, 5th September 1860.

Sir,

NEGOTIATIONS being in progress with his Highness the Nizam for the cession in full sovereignty to the British Government of his possessions on the left bank of the Godavery, and of the Wynegunga above the confluence of the two rivers; and the Governor General in Council having determined that the said possessions shall be placed under your management, I am directed to request that you will, in communication with the Resident of Hyderabad, depute an officer to take charge of the districts whenever the Nizam's Government is prepared to make them over.

(No. 80 of 1860.)

From Lieutenant Colonel *C. Davidson*, C.B., Resident at Hyderabad, to the Secretary to the Government of India, Foreign Department; dated Hyderabad Residency, 1st September 1860.

Sir,

ADVERTING to the fourth paragraph of my Despatch (No. 66) of the 12th ultimo, and after communicating with Captain Haig on the subject, a copy of whose letter and of my reply is enclosed, it will be seen that the proposed new frontier line is the one desired by him, although there is apparently some difference in the nomenclature of the rivers.

2. I am not sure that the Nizam would agree to cede his right on the Palancha talook on the right bank of the Godavery belonging to the Ranee of Buddrachellum as his tributary.

1. No. 178, dated
20th August 1860.
2. No. 1665, dated
1st September 1860.

(No. 178.)

From Captain *F. J. Haig*, District Engineer, Upper Godavery, to the Resident, Hyderabad, 20th August 1860.

Sir,

I HAVE the honour to acknowledge receipt of your letter (No. 1526) of 13th August, containing extract from a Despatch addressed by you to the Government of India, on which, as requested, I beg to offer the following remarks:—

2. The talooks of Cherla, Albaka, and Noogoor are not, as stated in para. 6 of extract, held by dependencies of the Ranee of Buddrachellum. They are appendages of a zemindaree on the right bank, that of Mahadeepoor, if I recollect right, though I cannot at this moment be certain, being absent from my office. This error is, however, a matter of no consequence, as it does not appear in any way to affect the arrangements you propose. The nomenclature of the rivers in the definition of the proposed boundary line is also not quite correct. It should rather be, “1st. The Godavery till it reaches the confluence of the Premhata. 2nd. The Premhata till the confluence of the Wyngungah; afterwards the Wurdah.”

The Wurdah is the name of the river flowing down past Hingunghat and Chandah to the junction of the Wyne Gungah. The river formed by their united streams from that point to the Godavery is called the Pranhatta.

3. The memorandum I lately sent you on the statistics of the talooks on the left bank, which, under the new arrangements will become British territory, contains, I believe, nearly all the information I possess on the subject. With regard to that of Palooncha on the right bank, which I understand to include the whole of the Buddrachellum zemindaree on that side of the river up to Mingapett, I think the proposed transfer of it also could not fail to be most profitable to us in every point of view. The value set on it, 6,000 rupees, is just about what it is now worth to the Nizam, but ridiculously below its actual value. It is well watered and possesses numerous fine tanks, now mostly in ruins, and other capabilities in respect of soil and population which under British rule would speedily raise its revenue to several times its present amount. Its acquisition would give us possession of 100 miles more of that bank of the river, and afford a footing which would be of great importance in connection with our military communication with Secunderabad, the route thither *via* the Godavery and Buddrachellum having been definitely adopted for the transport of military stores of all kinds from the arsenals of the coast to that station. The existing road from Buddrachellum through Palooncha and Cummamett, will, I presume, be the one used for this purpose. The entrepôt for the stores has been established on that bank opposite Buddrachellum, and as large quantities will be accumulated there every year, it is very desirable that we should have the means of effectually protecting them.

(No. 1665 of 1860.)

From Lieutenant Colonel *C. Davidson*, c.B., Resident at Hyderabad, to Captain *Haig*, District Engineer, Upper Godavery; dated Hyderabad Residency, 1st September 1860.

Sir,

WITH reference to para. 2 of your letter (No. 178) of the 20th instant, I beg to observe that from the statements of the native government, and by a reference to the Surveyor General's map of the Nizam's dominions, exhibiting the territories surveyed from 1816 and those assigned to the British Government by the Treaty of 6th June 1855, you appear to be mistaken. It will be seen that the Pyne Gungah, flowing into the Wurdah, forms the Prunheeta, not the Wyne Gungah; and that the Prunheeta flowing into the Wyne Gungah then takes the latter denomination until it reaches the Godavery.

2. I do not, however, consider the nomenclature of these rivers of much consequence, as the boundary is distinctly defined.

3. With reference to your remarks about the different talooks to be ceded, it appears from the accompanying memorandum, furnished by the native government, in which they have corrected their former statement, that only Buddrachellum and Rakapilly are dependencies of the Palooncha and Buddrachellum zemindaree (Ranee), who is a tributary of the Nizam, and her lands are her own to manage as she pleases, after the payment of her annual tribute of 68,000 rupees; I doubt, therefore, were the Nizam to cede Palooncha as well as the other six talooks on the left bank of the Godavery and its affluents, whether our Government could make any additional demand from her; however that is a matter for after consideration. My business is to deal with the cession of the Nizam's sovereignty and other rights, and at present he agrees to cede all those over the talooks of Rakapilly, Buddrachellum, Cherla, Albaka, Noogoor, and Sironcha.

MEMORANDUM.

THE talooks of Buddrachellum and Rakapilly belong to Luchmee Ninsee, zemindarnee of Palooncha, and who pays on account of Palooncha, &c., in which the two talooks above-mentioned are included, an annual tribute of 68,340 rupees. The talook of Cherla belongs to Goolshakur Rao Sur Deshmook, of Chinnoor, &c., and is held by him as a kowl from the Circar, which expires at the close of the present fuslee year, 1270 (A. D. 1860-61). The talook of Albaka belongs to Venkut Rama Rao Sur Deshmook, of Chinnoor, &c., held by him on a kowl from the Circar, which terminates at the close of the present fuslee year, 1270 (A. D. 1860-61).

The talook of Noogoor belongs to Boochae, widow of Achut Rao Sur Deshmook, of Chinnoor, &c., is in Amanee, and managed by the Circar's talookdar.

The talook of Sironcha belongs to Mootum Rao Sur Deshmook, of Chinnoor, &c., is in Amanee, under the management of the Circar's talookdar.

COPY of SERVICE MESSAGE by Electric Telegraph.

From Calcutta.

From Mr. Beadon.

To Hyderabad.

To Resident, dated 29th September.

IN paragraph 12 of my letter (No. 2519) you were authorised to negotiate with the Nizam for the cession of the Godavery districts to the British Government in return for a full equivalent either in land or money, and you were told that the Government would cede in lieu of those districts either the lands in Masulipatam or a portion of Nagpore, or, if his Highness preferred it, a convenient strip of the assigned districts.

In paragraph 12 of my letter (No. 2518) of the same date, you were authorised to propose this arrangement absolutely. You were also authorised to propose that all accounts of the assigned districts should be dispensed with, and conditionally thereon, that the debit should be cancelled, and a large portion of the assigned districts restored to the Nizam.

In the Minister's note of the 11th August, the Nizam agreed to cede the Godavery districts in lieu of others to be given by the British Government, and this cession has been conclusively accepted on these terms by the Government.

But his Highness objected to dispense with the accounts and therefore the negotiation in respect to all the proposals which were conditional thereon is still pending.

But those proposals are entirely unconnected with the cession of the Godavery districts to which the Nizam has absolutely agreed. The Government expects that his Highness will not recede from this position, and is prepared to give lands of equivalent value from any quarter that may be preferred, as mentioned in my letter (No. 2519).

You will represent this to the Nizam's government, but the form and manner of doing so are left to your discretion.

You will do it in the manner which you may judge best calculated to bring about a fulfilment of your instructions.

On the other four points which are still under discussion, the Governor General does not desire to hurry the Nizam, or press for an immediate answer.

COPY of SERVICE MESSAGE by Electric Telegraph.

From Hyderabad, Deccan.

From Resident.

To Calcutta.

To Foreign Secretary, Friday, 12 October, 6/15 p.m.

NIZAM adheres to his determination to require surplus revenue, but gives up all accounts, past, present, and future. Does not consent to the Berar assigned districts being put under the supervision of the Commissioner of Nagpore. I can, I believe, get 30 lacs of gross revenue in Berar, which will include Crown
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and jageer lands within our boundary ; that is, 28 for treaty engagements, and seven at 25 per cent. for civil management. If later, is not to exceed orders for the transfer of the Godavery districts to Commissioner of Nagpore, received and dispatched to that officer. Reported fully my proceedings during negotiation by to-day's post.

(No. 91 of 1860.)

From Lieutenant Colonel *C. Davidson*, c.B., Resident at Hyderabad, to the Secretary to the Government of India, Foreign Department ; dated Hyderabad Residency, 12 October 1860.

Sir,

I HAVE the honour to acknowledge the receipt of Mr. Deputy Secretary Young's Despatch (No. 3889) of the 5th September 1860 ; and before proceeding to report the result of my further negotiations in detail, I beg to premise that I have had to contend against a desire on the part of the Nizam and his Durbar to make it appear that I was forcing them into the acceptance of arrangements that they did not desire, and that they were again, in spite of the Queen's Proclamation, made to suffer from a system of coercion which had for many years caused them great pecuniary embarrassment. My instructions did not at all warrant my accepting such a position, and I therefore refused to acknowledge any such intention on the part of my Government, and pointed out the offers contained in the Government letters, which were open and plain, and the terms tendered must be considered most advantageous to the Hyderabad Government.

2. On the 17th September I received the official Despatch under acknowledgment, and on the 23rd Mr. Beadon's demi-official letter, for which I had been ordered to wait before renewing the negotiations.

3. I immediately on its receipt communicated with the Minister, sending him an English copy of the Deputy Secretary's Despatch (No. 3889) of the 5th September 1860, and requested that he would come to breakfast with me next day, in order that we might have a conference afterwards. This he did, and we then compared the Despatch above mentioned, paragraph by paragraph, with a translation (marked A.) the Minister had made ; but I could not elicit from him what was likely to be the Nizam's reply, but in the evening I received a note (marked B.), herewith appended, and with as little delay as possible I forwarded a telegram (marked C.) to your address ; and on receipt of the telegram in reply (marked D.), I transmitted it for the information of the Minister, with a view to its submission to his Highness the Nizam, accompanied by a note (marked E.).

4. I was present during the negotiations that took place in 1853 for the unreversed cession of the Berar districts to our Government, when General Low informed the Durbar, if so surrendered, he was authorised to cancel all our pecuniary demands on the Hyderabad state. I witnessed the objurgations and threats then used in order to induce the late Nizam to acquiesce in the Government proposals, similar, with slight modifications, to those now submitted to his successor for acceptance ; and I am satisfied his son has inherited all his father's aversion, and disliked to part with the Berars, except under certain stipulations, to our Government.

5. When I made the remark in the 15th paragraph of my Despatch (No. 67) of the 12th August last, that perhaps the Nizam, if he knew the agency by which our Government proposed to manage the assigned territory, might be induced to consent to our wishes in that respect, I never supposed that the Agency intended was to be the Commissioner of Nagpore ; indeed, it will be seen by para. 12 of that Despatch, that I spoke of a mischievous rumour that the Berar districts were to be incorporated with the province of Nagpore having got abroad here, that nearly put an end to all negotiations whatever.

6. In the course, however, of the negotiations reported in this Despatch, I informed the Minister, with reference to Mr. Beadon's demi-official letter of
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Enclosure, No. 1.

Enclosure, No. 2.

Enclosure, No. 3.

Enclosure, No. 4.

Enclosure, No. 5.

the 10th September, that my Government were prepared not to press the point of the transfer of the districts to the supervision of the Commissioner of Nag-poor, if he could induce the Nizam to yield their entire management to the British Government, without demanding any surplus revenue that might hereafter accrue. He said he would submit the proposition to his Highness, but that he felt sure that the Nizam would willingly agree to nothing but what had been stated to Government in his (the Minister's) note of the 11th August last. In short, it has come to this: the Nizam will not, unless frightened or intimidated, of his free will and consent agree to anything but his former terms, as stated in the Minister's note of the date above mentioned.

7. With reference to Mr. Beadon's telegram of the 27th September, it will be seen from proposal, Enclosure (A.) of my Despatch 12th August last, that I did submit a proposition to the Nizam for the cession absolutely of the Godavery districts to our Government; but his Highness, from all the other propositions of the Government being tendered at the same time, says, that had what has since been explained been then made known to him, he would not have consented to the surrender of the Godavery districts without the other terms he agreed to in the Minister's letter of the 11th August being conceded. His Highness's answer does appear to bear a conditional construction, as the word "will" is used; not that he accepts as in the case of the presents, and the Shorapoor Suwusthan. I requested the Minister, however, to press the immediate transfer of the Godavery districts on the receipt of your telegram of the 27th ultimo, and at last the Nizam said, "If the Governor General so interpreted my reply to the Government letter, transfer all my sovereign and other rights over the Godavery districts to the British Government."

8. I have ascertained that translations of all the Government letters have been laid before the Nizam, and that, after long and earnest consultation with his most confidential counsellors, the enclosed note marked (F.) emanated from himself, and has been recorded on the (Secai)* annals of his Government.

Enclosure, No. 6.

9. I have always been of opinion that had the pecuniary demands of the two Governments been impartially dealt with, we had no just claim against the Nizam for the present debt of 43 lacs of Company's rupees. His Highness's Minister, in a note dated 19th August 1851 †, when pressed on account of the arrears of the pay of the Contingent, asked for the surplus of the abkaree of the revenues of Secunderabad and Jaulnah, which was afterwards prospectively allowed to be a portion of the legitimate revenue of the Hyderabad state. We carried these revenues, which at present amount to one lac annually, to our own credit from 1812 to 1853; say for 41 years. The above would have given the Nizam a credit of 41 lacs, without interest, against the debt we claimed. Further, we charged his Highness, from January 1849 to May 1853, with interest at six per cent. on advances for the pay of the Contingent, which charge for interest amounted to 10½ lacs of rupees, although the Nizam earnestly protested against being made to pay interest at all, but nevertheless it was debited against him in account.

10. I believe it must be apparent, from what I have stated above, that in 1853 we had little or no real pecuniary claim against the Nizam; but I find, since the cession in 1853, besides 18 lacs of rupees we remitted of Sayer custom duties in the assigned districts, which we accepted as revenue for the treaty engagements of 1853, that we have charged 18 lacs of rupees against the revenues of the districts for the interest of the debt of 43 lacs, which his Highness acknowledged, under pressure, to be due by him by the Treaty of 1853, but which he never considered he justly owed.

11. I also discover, by a reference to a memorandum by the late Sir William Macnaghten, of 11th January 1834, from your office, that in some years 11 lacs, 12 lacs, and 13 lacs were charged annually to the Nizam as the pay alone of European officers of a Contingent that now, when nearly as strong numerically,

* In a former Despatch I particularly mentioned that this was considered a most formal ceremony by the Durbar.

† *Vide* Despatch, No. 166, dated 2nd September 1851, and from General Low, No. 118, of the 27th August 1853.

cally, we find we can efficiently maintain at a cost altogether of 26 lacs per annum. The wonder clearly is, that instead of owing only 43 lacs of Company's rupees at the end of 50 years of such a system, our claim did not render the Nizam hopelessly insolvent.

12. The policy the Honourable Company's Government pursued towards the Nizam ever since the Partition Treaty of 1817, after the termination of the Mahratta war, has been, especially in regard to pecuniary transactions, so completely one on their side of *sic volo sic jubeo*, that expressions such as "his Highness can of course reject the proposals," as contained in 12th paragraph of your letter under acknowledgment, which I was ordered to communicate to the Nizam in Mr. Beadon's demi-official note of the 10th ultimo, renders successful negotiation almost an impossibility, although we thereby elicit an expression of the Nizam's real wishes, at the expense of the point we are desirous of carrying.

13. I deem it imperative on me, particularly as we propose at the present time to reward the Nizam, to put these facts prominently before the Government. Knowing that the princes of India, owing to the Queen's Proclamation, think that the *régime* by which they were always shown to be in debt to our Government, by not having their counter-claims admitted, has passed away, and that the Viceroy and Governor General may, before passing his final decision on the present question, succinctly understand some of the pecuniary dealings by which the Nizam's Government considers itself to have been injured and aggrieved by that of the Honourable Company.

14. I believe I can obtain in trust, as proposed by the Nizam, 35 lacs of territory in Berar, instead of $32\frac{1}{2}$, which would give us 25 per cent. for civil charges in the Berar districts; but this per-centage we must engage not to exceed; we should then retain what we at present hold in Berar with the Surf-i-Khass estates added, and the account would stand thus:—

Present Revenue of Berar	-	-	-	-	-	-	Co.'s Rs.	26
Surf-i-Khass and Ministers' estates; say, 10 lacs Hyderabad currency	-	-	-	-	-	-		9
						Co.'s Rs.	-	35
Disbursements:								
Contingent and Treaty engagements	-	-	-	-	-	-		28
Civil management, at 25 per cent.	-	-	-	-	-	-		7
						Co.'s Rs.	-	35

15. From a wish not to be considered to embarrass the Government in carrying out a policy on which they appear to have determined, I have hitherto abstained from mentioning the perfect horror and dismay among almost every class with which the intelligence was received in the Raichore Doab and Dharaseo districts, that they were again to be transferred to the Government of his Highness's Naibs. No one knows so well as I do, from long residence in the Hyderabad territory, the tyranny and grinding oppression with which these miscreants treat the inhabitants of the country placed under their control.

16. My several Administration Reports of the last three years have shown to the Government, perhaps imperfectly, that although our administration may yet admit of improvement, we have introduced order where we found anarchy, and that we have afforded the people protection for life and property, while they acknowledge themselves happy, prosperous, and contented under British rule in the Hyderabad assigned districts.

17. I informed the Minister that the Shorapoor Suwasthan, and lands of the annual value of 50,000 rupees, would be made over to whomsoever he pleased. He replied, that he would rather wait till the whole question was settled, unless his Highness the Nizam called at once for these estates.

18. It will be observed that my application for an interview with the Nizam

was

was not noticed. The reason is, that a few days ago one of the Nizam's dependents, Tynath-Jai-Jung, was shot at by one of his own Arab followers, when conveying a message from the Nizam to the Minister; and the Nizam seems to fear some insult might be offered to me, as no doubt the impression has got abroad among the people, we are endeavouring to force something unpalatable on his Highness.

(A.)

TRANSLATION of a NOTE from the Resident to the Minister; dated 24th September 1860 (7th Rubbee-ool-awal).

(No. 1427.)

I BEG to enclose a rookah which I have addressed to his Highness the Nizam, with a copy of the same for your information, and request that the same may be delivered to his Highness at an auspicious moment. I further request that you will explain to his Highness the great advantages which would accrue by his Highness in accepting the terms now offered by his Excellency the Viceroy and Governor General of India.

2. It is desirable that you should kindly arrange for my receiving an early reply to this communication, and that I may be favoured with an interview with his Highness at a durbar, in order that the reply in question might be delivered to me personally by his Highness.

TRANSLATION of a ROOKAH from the Resident to His Highness the Nizam; dated 24th September 1860 (7th Rubbee-ool-awal, 1277 H.).

AFTER the usual compliments,

I beg to state that on receiving the Minister's note of the 11th August last, conveying your Highness's reply to the proposals of his Excellency the Viceroy and Governor General of India, it was duly communicated to his Lordship. I have received a letter in reply from the Secretary to the Government of India, which I have delivered to the Minister, and enclose a translation of the same for your Highness's information.

2. I beg that your Highness will take into your serious and earnest consideration the Governor General's proposals as therein expressed, and favour me with an early reply.

(B.)

My dear Colonel Davidson,

I WAS not aware of the full purport of the 14th paragraph of the Extracts while with you to-day, and imagined that it referred only to the duties levied on the Godavery; I have therefore written you a separate note on the subject, which I deem necessary, and which is herewith forwarded.

The 14th paragraph is not of course included in the translation I gave you, which must now be added.

24 September 1860.

Believe me, &c.
(signed) *Salar Jung.*

(C.)

COPY of a TELEGRAM from Colonel *Davidson*, Hyderabad, to *Cecil Beadon*, Esq., Calcutta; dated 26th September 1860.

Cypher Telegraphic Message.

"YOUR private letter of 10th reached me on the 23rd, and I at once communicated the official reply from Government to the Minister, and invited him to a conference next day. He brought with him a translation of the Government letter; and together we verified it with the English version, paragraph by paragraph. Although I pressed him on the point, he told me it was impossible to then give an opinion how the Nizam would receive what was now proposed to him. We agreed together that, in order to give the transaction greater importance, I should address a note direct to the Nizam, on golden paper, enclosing the translated Government letter. This I did, giving the Minister English and Persian copies of the Government letter, and a copy of my note to the Nizam.

"In the evening, I received a note from the Minister, as follows: 'With reference to the 14th paragraph in the extracts of a letter from the Supreme Government, which you gave me to-day, which refers to the Shorapoor territory being made over to the Nizam without delay, and the delivery of the districts on the left bank of the Godavery to the

officer who may be sent by the Commissioner of Nagpore, I beg to say that the transfer of the Godavery districts, is connected with the four proposals relative to the restoration of certain of the assigned districts, and must be settled together. It cannot form a separate arrangement, as desired in the paragraph in question."

"It is evident it is seen what importance we attach to the cession of the Godavery districts, and the Nizam's Government also know that they will never be able to manage Shorapoor without a large force being kept up there; so the insinuation is clear that the negotiation will break down altogether unless the terms of the Nizam already submitted to Government are unconditionally accepted. Under such circumstances, how does the Government desire me to act? It was only by making it appear a matter of no importance whatever that I induced the Nizam so readily to agree to give up the Godavery districts, as he formerly consented to do. The Nizam has requested not to be hurried, and to be allowed 15 or 20 days to consider the present Government proposal. A reply by telegraph is requested."

(D.)

COPY of a TELEGRAM from Mr. *Beadon* to the Resident at Hyderabad;
dated Calcutta, 29th September 1860.

"CLEAR the line. In paragraph 12 of my letter (No. 2519), you were authorised to negotiate with the Nizam for the cession of the Godavery districts to the British Government, in return for a full equivalent, either in land or money; and you were told that the Government would cede, in lieu of those districts, either the lands in Masulipatam or a portion of Nagpore, or, if his Highness preferred it, a convenient strip of the assigned districts. In paragraph 12 of my letter (No. 21,518) of the same date, you were authorised to propose the arrangement absolutely.

"You were also authorised to propose that all accounts of the districts should be dispensed with, and, conditionally thereon, that the debt should be cancelled, and a large portion of the assigned districts restored to the Nizam. In the Minister's note of the 11th August, the Nizam agreed to cede the Godavery district in lieu of others to the Government, given by the British Government, and this cession has been conclusively accepted on these terms by the Government. But his Highness objected to dispense with the accounts, and therefore the negotiation in respect to all the proposals which are conditional thereon is still pending. But those proposals are entirely unconnected with the cession of the Godavery districts, to which the Nizam has absolutely agreed. The Government expects his Highness will not recede from his position, and is prepared to give lands of equal value from any quarter that may be preferred, as mentioned in my letter (No. 2519). You will represent this to the Nizam's Government; but the form and manner of doing so are left to your discretion. You will do it in the manner which you may judge best calculated to bring about a fulfilment of your instructions, on the other points which are still under discussion.

"The Governor General does not desire to hurry the Nizam or press him for an immediate answer."

(E.)

COPY of a LETTER from Lieutenant Colonel *Davidson* to the Nawab *Salar Jung*;
dated Hyderabad Residency, 30th September 1860.

My dear Salar Jung,

I HEREWITH enclose the telegram I received last night, in reply to your note of the 24th. You will observe the British Government will not allow his Highness the Nizam to retract from the cession of the Godavery talooks for an equivalent elsewhere.

There is no sort of loss to the Hyderabad Government from this arrangement, and I strongly urge on you to meet the Governor General's requisition, as it will otherwise assuredly lead to an unfriendly and angry feeling between the two Governments.

If you would like to have the telegram officially, I will send in the usual public note, if you will address me officially on the subject of your note of the 24th.

Ever yours, &c.
(signed) *C. Davidson.*

(F.)

TRANSLATION of a LETTER from His Highness the Nizam to Colonel *C. Davidson*, C.B.,
Resident at Hyderabad; dated 12th October 1860 (25th Rubbee-ool-awal).

I AM in receipt of your letter informing me that you have received a communication from his Excellency the Right honourable the Governor General, which you delivered to my Dewan, on the subject of the letter addressed by him to you under date the 11th August last,

last, in reply to the propositions which were made by his Lordship, and you enclosed a translation of the Governor General's communication in your letter to me, with a request that my attention may be directed to what his Lordship has written. Agreeably to your intimation, the communication from the Supreme Government has been attentively perused by me.

In the 3rd paragraph of the Governor General's communication, it is stated: "That in regard to the rest of the plan proposed by the Government of India, there are two points on which the reply of his Highness, as given in the Minister's note of the 11th August, is not altogether in conformity with the views of the Governor General in Council or consistent with the object for which the arrangement, as a whole, was proposed: first, the rendering of accounts by the British Government in respect to such parts of the assigned districts as may remain in its possession, in trust, for the performance of the obligations imposed by Article VI. of the Treaty of 1853; and, secondly, the arrangements for the future administration of these districts." In my Dewan's letter of the 11th August, these two points were stated agreeably to my commands, under the idea that there would be no difficulty in giving effect to them by the Supreme Government; and now I refer to them again more particularly, and I am sure that the doubts entertained by his Excellency the Governor General in regard to them will be entirely dissipated.

The Supreme Government is under an impression that my Government requires the accounts of the districts, but it will be perceived from the 7th paragraph of my Dewan's letter of the 11th August, that my Government did not at all make a request for the accounts of the assigned districts, but considering that the districts which the British Government propose to retain in their possession are very productive, and the best in my dominions, and in former times yielded a much larger revenue than they do now, and that it may be deemed certain that hereafter, when they have been all surveyed, and extensive tracts which were before under cultivation, but are now neglected, are again reclaimed, the revenue will largely increase under the administration of British officers, and that General Low, when negotiating for the districts to be held in Amanee, distinctly stated that by the assignment of the districts to the British Government, the benefit to my Government will be so great, as to prove a source of great satisfaction to it; it was stated in the paragraph above alluded to, in accordance with this, that from the revenues of the aforesaid districts, after deducting all charges in regard to which there will be no objections raised in future by my Government, and after providing for the payment of the contingent troops, the yearly stipends to Appa Desaye and Mohiput Ram's family, and the Mahratta Sallianadars, agreeably to the Treaty, whatever surplus remains should be paid to my Government; therefore it is clearly evident, from the paragraph above referred to, that my Government does not in any way require accounts of the districts to be rendered, as is supposed by the British Government, but asks merely for the surplus, that is, that when all the charges of administration considered proper and necessary by the officers of the British Government have been defrayed, and after payment of the Contingent, &c., as provided by the Treaty of 1853, any surplus that may then remain should in future years be paid to my Government; but in the event of any deficiency occurring at any time, no demand should be made on my Government for it, but when it has been covered, the surplus should be paid to it. Under the above view of the case, the Governor General in Council will consider that my Government is in every way entitled to receive such surplus.

In the latter part of the 5th and the beginning of the 6th paragraphs of the communication of the Supreme Government, it is stated: "That the Government of India desires to hold this territory, as it has hitherto held the whole of the assigned districts, not in sovereignty, but in trust for his Highness, so long as the Contingent is kept up, and no longer. And these assigned districts will continue to be called 'The Hyderabad Assigned Districts,' or by any other suitable name that may better serve to mark the sovereignty of the Nizam." I am happy to find that the Governor General in Council has borne in mind the above point, but by merely styling them "in trust," or the "Hyderabad Assigned Districts," the object of the sovereignty of this State is not fully attained as it ought to be, but it will be realized when information of the increase of revenue, when it occurs hereafter in the districts, is given by the British Government, and the surplus paid to my Government as described above.

In the 7th paragraph of the Governor General's letter, it is observed that "the Nizam cannot be unaware that in consenting to relinquish so large a portion of the assigned districts, and to keep in its hands only so much as will yield a gross revenue of 32 lakhs of rupees, the Government of India subjects itself to a certain pecuniary loss of no small magnitude. Although out of consideration for the interests of the Nizam, and for the long-standing friendship between the two states, the Governor General in Council has consented to charge 12½ per cent. on the gross jumma in payment of the expense of administration, yet his Highness must well know that the actual expense with which the British Government will charge itself for the benefit of the districts in question, is considerably in excess of this." My Government is not, nor will it ever be, desirous that the British Government should incur any loss. These districts are assigned merely for the pay of the Contingent Troops deemed as (necessary for) maintaining the tranquillity of the country, and who, in time of need, are prepared to render service, and to devote their lives on important occasions of the British Government, and for the payment of certain other items specified in the Treaty of 1853; and whatever the actual expenses for the administration and benefit of the districts in question may amount to, my Government

will accept and raise no objections in future, as will be apparent from the explanation given above, and therefore there will be no cause for any loss being incurred by the British Government.

With reference to the proposal made in the 10th paragraph of the Despatch from the Supreme Government, to place the administration of the assigned districts under the Commissioner of Nagpore, as the Resident at Hyderabad is the medium of carrying on the transactions between the two States, my Government desired that the whole administration of the districts that shall remain in trust with the British Government should be vested in that officer. It is provided by the VI. Article of the Treaty of 1853 that the districts shall be placed under "the exclusive management of the British Resident for the time being at Hyderabad, and to such other officers acting under his orders as may from time to time be appointed by the Government of India to the charge of those districts;" and this provision was made at the request of my Government, in consequence of the reports then prevalent that the districts would be incorporated in other zillas of the British Government, and this was done only with this object, that by the administration of the districts remaining in the hands of the Resident delegated to this Court by the British Government, the districts should be publicly recognized as belonging to this State, and that it should not be said that they or the revenue from them had been incorporated with British Territory.

In the 8th paragraph of the letter from the Supreme Government, reference is made to modifications of other parts of the arrangements to which I have already assented; in the 11th paragraph four propositions are made; and the 12th paragraph refers to my acceptance or rejection of the four proposals together as a whole. My Government accepts the whole of the propositions.

The first is that the British Government should restore to me the Raichore Doab and the districts of Dharaseo. My Government will be happy to take back these districts.

The second proposition is that the British Government should cancel the debt for 50 lakhs of rupees, and forego all further demand on account of interest. This is accepted by my Government.

The third proposition is that I should dispense with the accounts of the receipts and expenditure of the assigned districts for the past, present, and future. Although in your letter dated the 1st Mohurram, H. 1277 (21st July 1860), it was intimated that the accounts for the future only should be dispensed with, and which was accepted, yet agreeably to the wishes of the British Government the accounts for the past will not be called for.

The fourth proposition is, that I should assign to the British Government in trust all the Surfi-i-Khas districts, included within the limits of East and West Berars, and so much additional territory adjoining thereto, as shall make up in all a present gross annual revenue of 32 lakhs of rupees. This is also accepted by my Government.

My Government has accepted all the propositions made by the Supreme Government, and two points only are submitted to his Lordship. One of these relates to the payment of the surplus revenues of the districts, which has no connection with any demand for accounts or discussion of any kind, and the other relative to the administration of the assigned districts being placed under the Resident at my court. Under these circumstances there will be no necessity for any modification of the arrangements, nor is there anything left for me to reject.

In the 14th paragraph of the letter from the Supreme Government, it is intimated that the Shorapore territory should be made over to me without delay, and that my Government should be requested to deliver over the districts on the left bank of the Godavery to the officer who may be sent by the Commissioner of Nagpore to take charge of them. Although this subject was not a separate one from the restoration of a portion of the assigned districts to my Government, and the propositions relating to all these matters were received together by my Government on behalf of the Supreme Government, in your letter of the 1st Mohurram, H. 1277 (21st July 1860), still, however, as I am always anxious to satisfy the Governor-General in Council, and keeping in view the unity of the two States, I have given orders to Mookhtar-ool-Moolk Salar Jung Bahadoor that the districts on the left bank of the Godavery, valued at about 20,000 rupees a year, should be made over to the officer of the British Government; and agreeably to the intimation of the Supreme Government, the navigation of the Godavery, and its tributaries, so far as they form the boundary of the two States, shall be made free, and the levy of any customs or other duties on goods passing up and down the river shall be prohibited.

My Government takes this opportunity to submit for the consideration of the British Government that from the beginning it has always been customary with it to keep the British Government pleased and satisfied, and with this view my Government has not had an eye to its own advantages, as may be instanced in the matter of the large amount of arrears of the Secunderabad and Jaulnah Abkarries; in the deficiency of the number of troops in the subsidiary force as compared with the strength of that force stipulated for by the Treaty of 1800; and in the remission of duties in the assigned districts; of all which the Supreme Government is thoroughly aware; and that likewise, the advantage of the services of the Contingent troops, both at present and in future, is available to the British Government, and the Supreme Government is well aware of the services they rendered, and the devotion they exhibited during the rebellion in India.

In consideration of the unity and friendship which has existed between the two States, and which, by the grace of God, is daily increasing, you will be pleased to submit to his
 Excellency

Excellency the Governor General the above-mentioned two subjects, by which it is deemed no loss can accrue to the British Government, in such a manner as may dispose his Lordship to accept and sanction them, which will be a source of gratification.

Translation furnished by Minister, and transmitted at his request.

(signed) *Cuthbert Davidson*, Resident.

TRANSLATION of a NOTE from the Minister to the Resident of 25th Rubbee-oo-lawul, 1277 H. (12th October 1860), No. 1846.

YOUR note of the 24th September (7th Rubbee-oo-lawul, No. 1427), with its enclosure, to the address of his Highness the Nizam, has been received, and duly presented to his Highness at an auspicious moment, when I also took the opportunity of intimating to his Highness your sentiments on the subject. I now beg to enclose his Highness's reply to your letter, in which every particular is fully stated. I am confident that you will explain the purport thereof to his Excellency the Viceroy and Governor General, and that his Excellency, viewing the existing friendship between the two Governments, will accept his Highness's reply favourably, which is his Highness's desire.

Agreeably to his Highness's orders, two *alikams** to the address of Lushkur Jung Bahadur and Mirza Goolam Hussun Beg Talookdars, with two proclamations for making over the talooks† on the left bank of the Godavery (agreeably to your note of the 15th Mohurram, No. 1174) to any officer deputed to receive charge thereof, on the part of the British Government, together with two proclamations on the subject of goods passing up and down the Godavery, &c., are herewith sent.

* Forwarded to Commissioner, Nagpore.

† Buddrachellum. Rakapilly. Cherla. Albaka. Noogoor. Sironcha.

(No. 5576.)

From A. R. Young, Esq., Deputy Secretary to the Government of India, to the Resident at Hyderabad; dated Fort William, 19th November 1860.

Sir,

I AM directed by the Governor General in Council to acknowledge the receipt of your letter (No. 91) of the 12th ultimo, on the subject of the present negotiations with the Nizam's Government, and in reply to state that his Excellency in Council, in consideration of the advantages to be derived from this re-transfer of the districts of Dharaseo and Raichore to the Nizam, and from the discontinuance of accounts between the two Governments, is willing to forego the further objects, namely, exemption from the obligation of paying to the Nizam's Government any surplus revenue that may hereafter accrue from the two Berars, and the administration of those districts, through the agency of the Nagpore, establishments, which, though deemed of importance by the Government, are found to be distasteful to the Nizam.

2. You will accordingly address to the Minister a letter, of which the draft is enclosed, and take such further steps as may be necessary to bring the arrangement to a conclusion.

3. It will be necessary to make two alterations in the draft of Supplemental Treaty, which was sent to you with my letter (No. 3889), dated the 5th September last. To Article 4 the following words must be added: "But the British Government will pay to his Highness any surplus which may hereafter accrue, after defraying all the charges under Article 6, and all future expenses of administration, the amount of such expenses being entirely at the discretion of the British Government." Article 8 will be omitted, and the number of articles contained in the Treaty will be 10.

4. With reference to the observations contained in paras. 9 and 10 of your letter, I am desired to state that the Governor General in Council declines to enter upon a discussion of subjects that must be held to have been disposed of by the Treaty of 1853, or to admit that the Nizam has any claim in consequence of the abolition of the transit duties. Those duties were abolished by the Government, in the exercise of the powers conferred on it by Treaty; and the measure was one obviously calculated to promote the prosperity and increase the resources of the assigned districts, and to be equally beneficial to both States. It would be most unfair that the Nizam should be allowed to claim credit for duties remitted, and that the British Government should receive no credit for the improved revenues from other sources—an improvement

ment which may be attributed in a great measure to the abolition of the transit duties.

5. You say that you have had to contend against the desire on the part of the Nizam and his durbar, to make it appear that you were forcing them into an acceptance of arrangements that they did not desire, and that they were again, in spite of the Queen's Proclamation, to suffer from a system of coercion which had for many years caused them great pecuniary embarrassments. You add, that your instructions did not at all warrant your accepting such a position, and that you therefore refused to acknowledge any such intention on the part of the Government, and pointed out that the offers contained in the Government letters were open and plain, and that the terms tendered must be considered most advantageous to the Hyderabad State. In so doing I am to observe you acted rightly. The general tenor of your instructions, as well as the specific terms offered in them, gave you the means of conclusively disproving the assumption of the durbar by a frank and conciliatory exposition of the spirit on which the Government was acting.

6. Further on, your remark that owing to the character of the policy pursued by the late East India Company towards the Nizam since 1817, expressions such as "His Highness can of course reject the proposals" (which expression is used in the letter addressed to you on the 5th September), render successful negotiation almost an impossibility; and you say that you were ordered to communicate the letter containing this expression to the Nizam. Upon this I am to observe, in the first place, that you are in error as to the fact: you had no such orders. The only opinion conveyed to you on this point is contained in a demi-official letter of the 10th September, in which you were told that the official letter of the 5th September (in which the above-cited expression occurs) is "one which, so far as relates to this part of the subject," (namely, the arguments used to induce the Nizam to agree to the two points, of foregoing the surplus revenue, and of administering the Berar districts from Nagpore) "can be shown entire to his Highness; and it may appear to you advisable to let him read verbatim the arguments used by the Government in support of its views." No order was given to you to communicate any part of the letter to the Nizam, least of all any part of it which might appear to you to render negotiation hopeless. One part was indicated as a part which might be communicated to his Highness, if you thought this advisable, whilst as regards the rest of the letter, not even a permission to communicate it was given.

7. Secondly, I am to observe that the Governor General in Council sees no reason to accept your opinion, that this expression to which you have referred was one which should impede the success of the negotiation, even if orders to communicate it had been given to you. It was an impression thoroughly sincere on the part of the Government of India, and if placed before the durbar by the representative of Government in the spirit in which it was used, and in that spirit towards the Nizam which has pervaded every line of the instructions addressed to you, the effect of it should have been exactly the reverse of that which you attribute to it.

8. The Governor General in Council does not approve of the proposal made in para. 14 of your letter. His Excellency in Council is not disposed to accept territory yielding 35 lakhs a-year, when the Nizam has already been told that we require only so much as will yield 32 lakhs; and as the Nizam agrees to demand no accounts, and to make the judgment of our officers the measure of what may be spent on the administration of the districts before beginning to count surplus, additional territory is not required to secure Government from eventual loss, though in the first years there may be some deficiency.

9. With reference to para. 15 of your letter, I am desired to observe that, although the condition of the people of the assigned districts, about to be restored to the Nizam had received the full consideration of the Government, you mistook your duty in abstaining from mentioning anything relating to it which appeared to you to be deserving of mention. It is not necessary for an officer in your position to consider whether any information or opinions which he

he may think deserving of being known to the Government are likely to be embarrassing to it or not. If the information be accurate, and the opinions be well-considered and sound, the communication of them cannot be an embarrassment.

DRAFT of LETTER from the Resident to the Minister.

I AM instructed by the Governor General in Council to request that you will inform his Highness the Nizam, with reference to his Highness's note of the 12th October, that his Excellency in Council has received with satisfaction the signification of the acceptance by his Highness of the main points of the arrangement proposed to him; that in regard to that part of it to which his Highness objects, the Governor General in Council will not for a moment press it against the wish, now personally expressed, of the Nizam himself; and that his Excellency in Council is the less disposed to do this, as the grounds of his Highness's objection seems to be an apprehension that the true and complete reservation of his Highness's sovereignty over the retained districts, might, by his acceptance of that part of the proposal, become questionable.

The Governor General in Council has already shown his desire carefully to guard the integrity of his Highness's sovereignty against all manner of doubt; and therefore, although by foregoing the service of the civil establishments of Nagpore as the means of administering the two Berars, and by retaining the administration of these districts under the authority of the Resident, it is certain that a less satisfactory, convenient, and economical mode of administering them will be pursued, his Excellency in Council will not urge the proposed change further.

To the payment to the Nizam of any surplus revenue which may accrue from the districts to be retained when the charges upon them and the expense of administration shall have been met, the Governor General in Council will agree that it must be on the understanding that the widest latitude is allowed to the British Government on this head, and that all charges which its officers consider proper and necessary for the administration of these districts will be defrayed from the revenues, without question, before any surplus can be made over to the Nizam; and that any deficiency arising from excess of expenditure over income in one year will be made good by the surplus in another. His Excellency in Council also understands that no accounts are to be rendered to the Nizam's Government, but that when a surplus accrues, it is to be made over. The British Government having taken upon itself the administration of these districts, the Governor General in Council entertains the strongest objection to hold them on any terms which would hinder the Government from establishing a sound and efficient administration, or from promoting general advancement; while to revert to a system of annual accounts would be to revive a source of unpleasant discussion, and possible misunderstanding.

The Governor General in Council desires me to conclude by expressing his sincere conviction that the present arrangement will tend to promote a good understanding between the two States, and to strengthen the friendship which has so long and uninterruptedly existed between them.

(signed) C. Davidson,
Resident, Hyderabad.

(Political Department.—No. 108 of 1860.)

From Lieutenant Colonel C. Davidson, C.B., Resident at Hyderabad, to the Secretary to the Government of India, Foreign Department, with the Governor General, Camp; dated Hyderabad Residency, 21st November 1860.

Sir,

ADVERTING to my letter of the 15th instant (No. 104), I beg to forward, for submission to his Excellency the Viceroy and Governor General, the accompanying copies and translations of notes which have passed between myself and the Minister; by the two latter of which it will be observed that Lieutenant Glasford has taken charge of the districts on the left bank of the Godavery, ceded by the Nizam to the British Government.

1. To Minister, No. 1706, dated 15th instant 1860.
2. From Minister, No. 2086, dated 19th instant 1860.
3. From Minister, No. 2092, dated 20th instant 1860.

(No. 1706.)

TRANSLATION of a NOTE from the Resident to the Minister, dated 15th November 1860.
(1st Jumadeesolawul 1277.)

WITH reference to the 2nd paragraph of your note of the 12th October, I beg to state that Lieutenant Glasford has been appointed by the Right Honourable the Governor General to the charge of the districts on the left bank of the Godavery recently ceded by the Nizam, and that the British Government is ready to take possession of the same.

(No. 2086.)

TRANSLATION of a NOTE from the Minister to the Resident, dated 19th November 1860.
(5th Jumadeesolawul 1277.)

I BEG to acknowledge the receipt of your note of the 15th instant (recapitulates the contents of the Resident's Note). Ahkams were forwarded to you in my note of the 12th October (No. 1846), agreeably to which the talooks of Cherla, Albaka, Noogoor, and Sironcha, belonging to the Ilaka of Chinnoor, have been made over by the talookdar of this Circar to Lieutenant Glasford, whose receipt is enclosed. In the same manner the talooks of Buddrachellum and Rakapilly have no doubt been made over to Lieutenant Glasford, and that officer's receipt for these talooks will be sent when received. I beg that the receipt now forwarded may be returned for record in my office.

TRANSLATION of RECEIPT.

Before Lieutenant Glasford, Assistant Agent, Governor General, Zillah Godavery.

Seal of the Kutcherry of Zillah Chandah to Bindiah Pundit Sur Duftur Illaka Miza Goolam Hoossain Beg, Talookdar Circar Aramghar.

I HAVE this day delivered to you ahkams and proclamations from Nawad Mooktear-ool-Moolk Bahadoor to the address of the above-mentioned talookdar, to make over the talooks of Cherla, Albaka, Noogoor, and Sironcha in perpetuity to the British Government. I acknowledge that, agreeably to these instructions, you have made over to me four takeeds in the Ilakadars of the above-named talooks, to take charge of the talooks in question; and that I have accordingly received possession of the villages on the left bank of the Godavery on behalf of the British Government.

Dated 6th November 1860. (20th Rubee-oo-sannee 1277.)

(signed) *C. Glasford,*
Assistant Agent Governor General.

(No. 2092.)

TRANSLATION of a NOTE from the Minister to the Resident, dated 20th November 1860.
(6th Junnadee-oo-sannee 1277.)

REFERRING to my note of yesterday's date (No. 2086), I beg to enclose Lieutenant Glasford's receipt of having been furnished with authority from Syud Nizam-oo-deen to the address of the Naib and Zumeendarnee of the Poloncha, &c., talook, to give over charge of the talookas of Buddrachellum and Rakapilly to him (Lieutenant Glasford). I request that the receipt may be returned.

TRANSLATION of RECEIPT.

Given by Lieutenant Glasford, Assistant Agent Governor General, Zillah Godavery,
to Syud Nizam-oo-deen, Ally Sahib Munsubdah.

After Compliments,

YOUR note with two letters, to the address of Dhamur Luchmee Nursunammah Zumeendarnee (the mother of Seetaram Chundur Savai Ashwaun Bahadur), and Syud Curreem-oo-deen, Sahib Naib of Poloncha, and regarding making over to me, on behalf of the British Government, the talooks of Buddrachellum and Rakapilly, has been received and understood. The letters in question have been dispatched to the Zumindarnee and Naib.

Dated 7th November 1860. (21 Rubbee-oo-sannee 1277.)

(signed) *C. Glasford,*
Assistant Agent Governor General.

(No. 116 of 1860.)

(By Express.)

From Lieutenant Colonel *C. Davidson*, Resident at Hyderabad, to the Secretary to Government of India, Foreign Department, with the Governor General; dated Hyderabad Residency, 7th December 1860.

Sir,

I HAVE the honour herewith, in accordance with the instructions conveyed in your Despatch (No. 5576), dated the 19th ultimo, to transmit a Supplemental Treaty, duly signed and sealed, entered into this day with his Highness the Nizam.

2. Nothing particular occurred at the Durbar, and it has so frequently been described that it appears needless here to add to previous descriptions. His Highness the Nizam, as I was taking my leave, begged I would express to his Excellency the Governor General the high sense of obligation and gratification he felt that his wishes on the two points previously discussed had been conceded by his Lordship.

3. The only differences between the present transcript of the Supplemental Treaty and the Draft transmitted from your office in letter (No. 3889), dated the 5th September last, are as follows:—

1st. The designation of the Nizam and his titles in the preamble of the Treaty, and in Article X., are corrected according to the custom at Hyderabad.

2nd. Article IV. The addition ordered in para. 3 of the Despatch, dated 5th September 1860 (No. 3889), has been introduced at the end of this article, as directed.

3rd. Article VI. The words “currency of the British Government” have been added to prevent any mistake about the Hyderabad or Company’s rupees, as in the Surf-i-Khas estates; the revenue has hitherto been collected in the Hyderabad currency, whereas in the assigned territory it has been collected in Company’s rupees.

4th. Article VIII. The talooks ceded on the left bank of the River Godavery, &c., have been specified at the request of the Hyderabad Government.

5th. The Nizam requested that the words, “when this copy herewith, signed and sealed by the British Resident, will be returned,” might be added; they will of course be omitted in the ratified Treaty.

6th. Article VIII., of the Draft Treaty has, agreeably to instructions, been struck out, and the present Treaty consists of 10 Articles.

(No. 2315.)

TRANSLATION of a NOTE from the Minister to the Resident, dated 22nd December 1860.
(8th Jummadee-Sanee 1277 H.)

YOUR letter of to-day’s date (No. 1912), stating that you understand, [from the records of your office, that on a previous occasion the seal of the late Nizam was attached at the top of the Draft Treaty of 1853 in the same way as the seal of the present Nizam was fixed at the top of the present Treaty, and that I should ascertain from the records of this Government, and let you know whether this was the case or not, has been received. My friend, it is true the seal of the late Nizam was fixed at the top of the Draft Treaty of 1853, and when the Treaty was returned duly ratified by his Excellency the Governor General, there was no space left for a seal at the top, but there was at the bottom. For this reason the late Nizam raised some objections, and mentioned the circumstance to General Low. The said gentleman remarked that the Treaty had been received by him as submitted to his Highness, and that it would not be advisable to return it to the Government merely because the seal was fixed at the end of the Treaty. Under these circumstances his late Highness then also attached his seal at the end of the Treaty; and of all these circumstances you yourself are cognizant.

(No. 119 of 1860.)

From Lieutenant Colonel *C. Davidson*, C.B., Resident at Hyderabad, to the Secretary to the Government of India, Foreign Department, with the Governor General, Camp, Benares; dated Hyderabad Residency, 7th December 1860.

Sir,

I HAVE the honour, with reference to my Despatch of this date (No. 116), and the draft of a note which I was directed to communicate to the Hyderabad Government, to enclose the reply dictated under his Highness the Nizam's orders.

2. I also beg to transmit copy of a note, and of my reply, regarding an application from his Highness to be furnished with schedules showing the amount of revenue of the different talooks, assigned to the British Government, agreeably to the present Supplemental Treaty.

Forwarding Supplemental Treaty concluded this day with H. H. the Nizam.
No. 2215, dated 7 December 1860 (23 Jumadeosamee 1277 H.), with English translation.

No. 2216, dated 7 December 1860 (23 Jumadeosamee 1277 H.), with English translation.
No. 1834, dated 7 December 1860 (23 Jumadeosamee 1277 H.), with English translation.

TRANSLATION of a LETTER from *Mookhtar-ool-Moolk Bahadoor*, Minister to his Highness the Nizam, to the Address of Colonel *C. Davidson*, C.B., British Resident at Hyderabad; dated 7th December 1860 (No. 2215) (23rd Jumadee-ool-awal H. 1277).

I HAVE been favoured with your letter of the 29th November 1860 (15th Jumadenoulul 1277) (No. 1769), the purport of which is here recapitulated. In accordance with your suggestion, I have duly submitted to his Highness the Nizam, the several subjects of the communication from his Excellency the Right Honourable the Governor General in Council, as contained in your letter. The line of justice, and appreciation of rights shown by his Lordship, in accepting the propositions of this Government, have been highly gratifying to his Highness the Nizam; and I also feel very thankful and under great obligations to his Lordship in Council, for this mark of his kindness and favour. And with reference to full power being allowed to the British Government regarding the expenditure of the assigned districts, it is stated in your letter that all charges which its officers consider proper for the administration of these districts shall be defrayed without question; this point has been previously explained distinctly in his Highness's letter to your address; and this Government is fully satisfied that by the kindness of his Excellency the Governor General, instructions will be issued to the British Residents (at this Court) to see that the charges which may appear proper and necessary for the administration and improvement of the districts shall be defrayed.

2. I have represented to his Highness the Nizam, that his Excellency the Governor General in Council has expressed his sincere conviction that the present arrangement will tend to promote and strengthen the union and friendship between the two States, which has so long and uninterruptedly existed between them; and his Highness has been pleased to say that the union and friendship of the two Governments has been continually on the increase from the commencement, and it is certain that, under the present arrangements, the foundations of the ancient friendship, and the firm fidelity mutually existing between the two Governments, has acquired more than former strength, and which, by God's grace, will be duly promoted and increased.

(No. 2216).

TRANSLATION of a LETTER from *Mookhtar-ool-Moolk Salar Jung Bahadoor*, Minister to his Highness the Nizam, to Colonel *C. Davidson*, C.B., British Resident at Hyderabad; dated 7th December 1860 (23rd Jumadee-ool-awal 1277 H.)

I HAVE been favoured with your letter of the 1st December 1860 (17 Jumadenoulul H. 1277 (No. 1786), with copy of a Treaty received from the Supreme Government for submission to his Highness the Nizam, in due form.

The Treaty, signed and sealed by his Highness, has been delivered by him to you this day; his Highness has intimated his commands to me, that it is necessary for this Government to have a schedule of the districts to be exchanged for the sur-i-khas and other talookas of the surplus districts to be re-transferred; and of the districts yielding a gross annual revenue of 32 lacs of rupees, to be retained by the British Government in trust for the payment of the Contingent troops, &c.: detailing the amount of the revenue of each of the respective districts. I have the honour, accordingly, to request you will be pleased to furnish me with the schedule in question, signed and sealed by you for submission to his Highness the Nizam.

(No. 1934).

TRANSLATION of a NOTE from the Resident to the Minister; dated 7th December 1860
(23rd Jumadee-ool-awal 1277 H.)

I BEG to state, in reply to your note of this date (No. 2216), that after the Ratified Treaty arrives, and after the amount of the revenue of the surf-i-khas and other talooks is ascertained by an officer on the part of the British Government, and one on that of the Nizam, the required schedules will be transmitted to his Highness under my seal and signature.

(No. 137.)

From *A. R. Young*, Esq., Secretary to the Government of India, with the Governor General, to the Resident at Hyderabad; dated Camp, Mirzapore, 17th December 1860.

Sir,

I AM directed to acknowledge the receipt of your letter, No. 116, of the 7th instant, transmitting for ratification a Supplemental Treaty entered into by you, on behalf of the Viceroy and Governor General, with his Highness the Nizam of Hyderabad.

2. His Excellency the Governor General observes in this document an informality which must be corrected before the Treaty can be ratified. The seal of his Highness has been affixed at the top instead of at the bottom of the document, which is not only unusual in papers of the kind generally, but is a deviation from the practice which, in reference to previous Treaties, appears to have been invariably followed in engagements entered into between the British Government and the present and former Nizams of Hyderabad.

3. The delay which the ratification of this mistake will occasion is to be regretted; and his Excellency cannot but express surprise that you should have permitted a deviation from former practice in a transaction of so formal a character, the more so as you seem by your note to have been aware that in 1853 this deviation was not allowed, and as you have assigned no reason for now allowing it.

4. To prevent further delay two copies of the Treaty are herewith forwarded, on which are marked, in pencil, the proper places for your seal and signature, and for those of his Highness the Nizam. You will be so good as to return both of these documents duly executed, by express, when they will be ratified by the Governor General. One of the ratified copies will be sent to you to be delivered to his Highness the Nizam, and one will be retained in this office. An attested copy will hereafter be furnished for record in the Residency Office.

5. The copy of the Treaty submitted by you is herewith returned, and I am to suggest that it and the copy now in the possession of his Highness should be destroyed when the copies now transmitted have been signed and sealed as directed.

6. You will, if you should see reason to do so, explain to the Nizam that nothing is further from the Governor General's intention than to show any discourtesy to his Highness in withholding his signature from the instrument which his Highness has already signed.

7. But, having regard to the well-understood meaning which attaches to documents which the head of any State in India transmits to their destination, signed or sealed at the top, and having regard, too, to the fact that all Treaties between the British Government and Native States have been signed at the foot, it is not possible for the Governor General to accept the document which you have transmitted to his Excellency.

8. In the absence of explanation of the reason which has induced you to depart from an invariable custom, the Governor General does not consider it necessary to say more on this subject.

(No. 125 of 1860.)

From Lieutenant Colonel *C. Davidson*, c. B., Resident at Hyderabad, to the Secretary to Government of India, Foreign Department, with the Governor General; Hyderabad Residency, 22nd December 1860.

Sir,

I HAVE the honour to annex a copy of a telegram which has been dispatched to you this day.

"Express of 17th received at two p.m. of 22nd. All documents in my office show that the Draft Treaty of 1853 was sealed by the Nizam at the top. I have written for information to the Minister. The returned Ratified Treaty had the late Nizam's seal placed at the bottom, as no room was left at the top for the seal; he objecting, but remarking he would seal anywhere, as he did not wish to give the Governor General any further trouble."

(No. 127 of 1860.)

From Lieutenant Colonel *C. Davidson*, c. B., Resident at Hyderabad, to the Secretary to the Government of India, Foreign Department, with the Governor General, Camp, Benares; dated Hyderabad Residency, 24th December 1860.

Sir,

I HAVE the honour to acknowledge the receipt of your telegram of the 23rd instant, to the following effect:—

"Your message of 22nd received. The records in Calcutta have been examined, and show that the Nizam's seal and signature are invariably at the bottom of the Treaties. All Treaties whatever to which Governors General have put their signatures have been signed both by the Governor General and by the ruler of the State at the bottom. The Governor General desires that this practice be adhered to in the present instance. His Excellency cannot accept a document signed or sealed at the top."

2. I beg to add that the Nizam on receiving my communication on the above subject, said to the Minister he would receive me in three or four days, that is, after Christmas, and sign and seal the Treaty at the bottom, as required by his Excellency the Governor General, when I shall do myself the honour to submit the explanation called for in your Despatch, No. 137, of the 17th instant.

(By Express.)

(No. 128 of 1860.)

From Lieutenant Colonel *Cuthbert Davidson*, c. B., Resident at Hyderabad, to the Secretary to the Government of India, Foreign Department, with the Governor General, Benares; Hyderabad Residency, 26th December 1860.

Sir,

I HAVE the honour to acknowledge the receipt of Mr. Officiating Secretary Young's letter (No. 137) of the 17th instant, and in reply beg to state in explanation, that no Treaty or engagement was previously made with the present Nizam, and that in the preparation and submission of the Draft Supplemental Treaty to his Highness, I have followed exactly the precedent and mode of procedure adopted by General Low in 1853.

2. You will find from the accompanying attested copy* of the Draft Treaty of 1853, signed by General Low, c. B., which I beg may be returned to my office, that

* A copy of which was forwarded to the Foreign Secretary in Calcutta; vide Despatch, No. 83, dated 21st May 1853. The Draft Supplemental Treaty previously submitted is a counterpart of the above.

that the Nizam's seal was placed at the top of that document, and that no objection was made on the part of General Low, nor by the Government of India, when it was submitted to that authority.

3. On the Ratified Treaty of 1853 being returned, no place was left at the top for the Nizam's seal, and his Highness objected that he was required to seal in a different place in the Ratified from what he had done in the Draft Treaty, and that it was unusual for him, in a State paper of consequence, to put his seal at the bottom of the paper. General Low, it will be seen from the Enclosure, as per margin, did not refer the matter to Government, but evaded the question raised, and, as far as my recollection serves me, after a lapse of seven years and a-half, said, if the Nizam would not seal in the place marked out by the Governor General, he could not receive the Ratified Treaty within the 30 days promised, on which his Highness assented, saying, he did not desire to give his Lordship any further trouble on the subject.

Enclosure, No. 2.
Minister's note,
dated 22nd December
1860 (8 Jumma-
deosanee 1277 H.),
No. 2315, with
English translation.

4. When the present Treaty was being negotiated, the Minister begged that in the returned Ratified Treaty space might be left for the Nizam's seal at the top of the document, remarking that it was not unlikely the present Nizam would object to seal anywhere but in the place he had done in the Draft Treaty.

5. I inquired if, by sealing at the top, the Nizam wished to assume any superior position over those who would place their seals at the bottom of the document. Salar Jung assured me this was not the case; that in their (the natives') eyes it would give more validity and importance to such a State paper if it were sealed by the Nizam at the top, with his sign manual, or "Allurq," at the bottom, and that his Highness only signed and sealed the Persian part of the document. I offered to refer the question officially to my Government, but he begged I would not do so, but address the Secretary privately, as the Nizam had not as yet objected to seal anywhere. This occasioned my official Memorandum to you of the 7th instant, as I knew that if there was anything informal and incorrect in the Minister's request you would inform me, giving me the necessary instructions, and I was most unwilling that any proceeding of mine should prove distasteful to his Highness, or have the slightest appearance of detracting in the least degree from the act of grace conferred on his Highness the Nizam by his Excellency the Viceroy and Governor General of India.

6. I attended Durbar this day, and had the Draft Treaty in the Nizam's possession returned, and one of those received with your Despatch under acknowledgment substituted, and the two copies prepared in my office destroyed as directed; and I now beg herewith to enclose the Supplemental Treaty for ratification, signed and sealed in the manner ordered by his Excellency the Viceroy and Governor General.

7. The question of where the Nizam's seal is to be affixed, whether in preliminary Draft Treaties or those ratified by the head of the Government, is, by the present proceedings, now definitively settled at this Court. I could not, in the face of the wording of the 10th Article of the Treaty, ask the Nizam to return both copies of the document, as instructed in the 4th paragraph of your letter, as that Article provides that one of the copies shall remain with the Nizam till the Ratified Treaty is returned; and to exchange the documents when this is done, has been, I am informed, the invariable usage hitherto.

8. Nothing of consequence occurred at the Durbar; the only question put by the Nizam was in regard to the Governor General's health, and where his Excellency now is.

9. When the document was being sealed, Iktidhar-ool-Moolk (Shums-ool-Oomrah's youngest son), who is the keeper of the Nizam's great seal, rather significantly asked the Minister if it was to be affixed at the bottom, to which question Salar Jung replied, "Yes," and the Nizam nodded assent.

P.S.—The parchment arrived wet and damp, and therefore the ink ran where the Resident's seal and signature is placed on this copy.

2nd. I would beg to call attention to the 5th paragraph of my letter (No. 116), dated the 7th instant, and to request, that should the suggestion therein contained

tained of omitting the words "when this copy herewith signed and sealed by the British Resident will be returned," be approved of, the words in question may be omitted in the Ratified Treaty transmitted to me.

(Foreign Department.—No. 14.)

From *A. R. Young*, Esq., Secretary to the Government of India, with the Governor General, to the Resident at Hyderabad; dated Camp, Goonwarra, 2nd January 1861.

Sir,

I AM directed to acknowledge the receipt of your letter (W. 128), dated the 26th ultimo, submitting explanation connected with the signing of the Treaty by his Highness the Nizam, and, in reply, to inform you that the Governor General does not consider it necessary to remark further on that point.

2. The Supplemental Treaty, as ratified by the Governor General, is herewith forwarded, and I am to request that you will deliver it to the Nizam, and return the copy now in his possession duly executed. That copy will remain in the Foreign Office, and an attested transcript of it will be forwarded to you for record in your office. No words can be omitted, as suggested in your post-script, as it is necessary that your copy should correspond precisely with the originals.

3. The copy of the Treaty of 1853, which accompanied your letter, is herewith returned.

(Political.—No. 82.)

Sir Charles Wood to the Governor General of India in Council; dated 18th June 1861.

1. I PROCEED to notice the very important subjects connected with Hyderabad affairs, treated of in the Enclosures of your letters, dated 8th September 1860 (No. 117), and 5th January 1861, No. 4, and especially those referred to in your letter to the Resident, of the 7th July 1860, No. 2518. These papers have been considered by me in Council with the attention which their importance demands.

2. You have explained that circumstances, to which it is needless further to advert, prevented your making, at an earlier period, to his Highness the Nizam, any suitable acknowledgment of the very valuable services rendered to Her Majesty's Government by himself and his faithful minister, Salar Jung, during the eventful period of the mutiny of the Bengal Army.

3. It was not unknown to you that the transfer of the assigned districts was not obtained from the Nizam without much unwillingness and opposition on his part, and that his Highness more earnestly desired a restoration of that territory, partial or entire, than any other object which could be presented to him as worthy of acceptance in acknowledgment of these services. It naturally, therefore, occurred to you to endeavour to combine the gratification of this with the accomplishment of other arrangements beneficial to both Governments.

4. On reviewing the results of the past administration of the assigned districts by our officers, it appears that, although distinguished by a degree of regularity and freedom from oppression fully appreciated by the people, the administration had not, in a financial point of view, been attended with the expected success. The papers submitted by Colonel Davidson show that a deficit of 9,31,613 rupees had accrued during the period (five years) of British management. This deficit, however, is caused by the payment, at the commencement of our administration,

of

of the arrears of pay due to the Nizam's Contingent. Leaving out of account the sum (13,76,653 rupees) thus expended, I find that the assigned territories have yielded during the five years from 1853-54 to 1857-58, during which they had, at the date* of Colonel Davidson's Report, been under our management, 2,03,45,427 rupees, while the charges, including those of administration, and the payment of expenses of the Contingent, 32 lacs yearly, have, during the same period, amounted in the aggregate to 1,99,90,385 rupees, showing a surplus of 4,45,041 rupees.

* 6th July 1859.—Hyderabad Assigned Territories.

YEAR.	Receipts.	Charges.
	Rs.	Rs.
1853-54 - - -	38,43,198	46,89,703
1854-55 - - -	41,03,375	41,95,687
1855-56 - - -	40,15,113	40,03,330
1856-57 - - -	41,12,402	40,00,539
1857-58 - - -	42,71,338	43,93,779

5. The assigned districts were taken over to provide for annual charges on account of the Contingent, estimated roughly at 30,50,000 rupees. Their gross revenue is estimated at 45,00,000 rupees in Mr. Secretary Beadon's letter, dated 7th July 1860, upon the authority of a memorandum furnished by the Resident. But the same memorandum assumes the Civil Expenditure at $12\frac{1}{4}$ lacs of rupees, and a further charge of $4\frac{1}{2}$ for public works, has hitherto been incurred. With the administration conducted on these principles, the expectation of a surplus accruing for the benefit of the Nizam was not likely to be realised, and the omission to render accounts to his Highness, so as to give him the opportunity of urging objections to the heads of your expenditure, and to remissions of objectionable imposts, placed your Government in a position of embarrassment in its relations with the Nizam, the sources of which it was very desirable that you should seek to remove. The occasion, therefore, presented by his Highness's claims on your liberality for essential services rendered during the mutiny, was judiciously used to bring all these troublesome points to a final and permanent settlement.

6. Her Majesty's Government entirely approve the instructions addressed under your orders to the Resident at Hyderabad on the 7th July 1860, explaining the basis upon which he was to open negotiations for effecting all these desirable objects.

7. It was proposed by you to limit the extent of territory to be reserved as a provision for the charges of the Contingent to the districts of East and West Berar, yielding, with the Surfi Khas or Privy Purse Estates, $32\frac{1}{2}$ lacs, and restoring to his Highness Dharaseo and Raichore, besides making over to him in perpetuity the principality of Shorapore.

8. You also directed the Resident to negotiate, in exchange for an equivalent, the cession of a strip of territory on the banks of the Godavery, which was desired in order to carry out your intention of rendering that river navigable. On condition also of his Highness relinquishing his right to call for annual accounts, you were prepared to cancel the debt of 50,00,000 rupees due from the Nizam to the British Government.

9. The negotiation conducted by Colonel Davidson upon this basis resulted in the Treaty ratified by you on the 2nd January 1861. I have laid this Treaty before the Queen, and I am commanded to signify Her Majesty's approval of the arrangements which you have brought to so satisfactory a conclusion.

10. Although the territory that will remain to be administered by British officers, in order to provide for the annual charges of the Contingent force to be maintained at Hyderabad, will be considerably reduced in extent and in amount of revenue, by the arrangements made under the Treaty, the British Government will hold the districts retained on a footing of greater independence, and will be able to conduct the administration with greater freedom and latitude of discretion. The acquisition of the Surfi Khas, or Privy Purse Lands, and the immunity from all necessity to render accounts and afford explanations to his Highness's Government, are essential objects, while the claims of the Nizam for good service during a season of trouble could not have been satisfied without a sacrifice of revenue in some shape.

11. Your determination to add the forfeited territory of Shorapore, with which districts of the Nizam were much intermixed, and which heretofore was a dependency of his Highness's Government, was a liberal and judicious means of giving to the measure the display of grace and friendly acknowledgment of service that was desired.

12. Undoubtedly there are objections arising from the character of his Highness's administration to replacing any population that has once enjoyed the blessing of a regular government by British officers, under the loose system adopted by his Highness's farmers and talookdars. A re-transfer of territory to a native power is always a source of regret to Her Majesty's Government, but the objection is outweighed by the obligations under which we stood towards his Highness, and is lessened by the peculiarity of the tenure and conditions upon which the territory was held by our officers, which evidently was an arrangement that could not continue.

13. I cannot but express regret that you were unable to obtain from his Highness the cession of the retained districts in full sovereignty, but I am not insensible to the weight of the considerations which induced his Highness to refuse wholly to relinquish any part of his paternal dominions. What occurs to me as most open to objection in the stipulations on this subject is the limit placed on the power of your Government to conduct the administration according to its own views, and to place the officers employed under such control as it may seem most expedient for the public service.

14. I attach less importance to the claim reserved by his Highness to secure any surplus that may arise under our administration, because both the number and constitution of the Contingent on one hand, and the free disposal of the revenues on the other for purposes of local improvement, rest entirely in your discretion. It would, however, have been more reasonable, in the event of increased revenue resulting either from improved management, or from the returns of capital expended, that the surplus should have accrued to the State to whose improved administration alone its existence was due.

15. Her Majesty's Government approve the relinquishment to his Highness of the claim to 50 lacs of rupees, on account of past advances for the pay and charges of the Contingent force, as an important act of grace towards his Highness, while the final settlement of all past accounts, and freedom from any future embarrassing pecuniary relations of the same description, is not less a benefit to your Government.

16. Although, in more than one instance, Colonel Davidson allowed himself to deviate not only from the letter, but even from the spirit of the instructions laid down for his guidance, and I cannot altogether approve of the tone of his correspondence with the Nizam, or with your Government, the negotiations appear to have been on the whole conducted by him with ability and judgment, and in a manner to entitle him to the commendations which your Government have bestowed upon him.

17. In conclusion, I have only to observe that Her Majesty's Government confidently hope that the results of the new Treaty will be advantageous to both States, and that they will tend to confirm the amicable relations which have so long existed between the two Governments.

(Foreign Department.)

'The Governor General of India in Council to Sir *Charles Wood*, dated
22nd June (No. 87) 1861.

WE have the honour to transmit, for your information, copies of correspondence with the Resident at Hyderabad, on the following subjects:—

1. Disposal of the local funds of the Raichore Doab and Dharaseo Districts on their transfer to the Nizam's Government.
2. Adjustment of territory under the new Treaty with his Highness the Nizam.
3. Audit and adjustment of the accounts of the assigned territories and the Hyderabad Contingent.

We have, &c.
(signed) *Canning.*
H. B. E. Frere.
R. Napier.

(Civil Department.—No. 11, of 1861.)

From Lieut.-Colonel *Cuthbert Davidson*, c. B., Resident at Hyderabad, to the Secretary to the Government of India, Foreign Department, with the Governor General; dated Hyderabad, 12th January 1861.

Sir,

I HAVE the honour to submit, for the consideration of his Excellency the Right honourable the Governor General, a proposal from the Commissioner of the Hyderabad Assigned Districts, relative to the disposal of the balance of the local fund of the Raichore Doab, on its transfer to the Nizam's Government.

2. The cash in hand on account of the local fund of the Raichore District is - - - -	<i>Rs.</i>	<i>a.</i>	<i>p.</i>
	6,193	1	2
Expected collections in December 1860 and January 1861 - - - -	18,000	-	-
Making a Total of - - <i>Rs.</i>	79,913	1	2

From this sum has been paid, or it is proposed to pay certain sums, amounting to *Rs.* 25,553. 3. 10. and 34,000 rupees on account of expenditure on the Hyderabad and Sholapoor Road, leaving a balance of *Rs.* 20,359. 13. 4.

3. The Commissioner recommends that the balance available, after meeting all existing charges, should be added to the available balance of the Dharaseo District and rateably divided in compensation to officers and others whose property in both districts will, by the approaching transfer be lost to them.

4. The available balance of local funds in the Dharaseo District up to the 22nd December, is *Rs.* 15,243. 3. 7.

5. I would beg, therefore, to support the Commissioner's recommendation, this being a peculiar and special case, that after paying all existing charges, and the 40,000 (not 34,000) rupees on account of the Supplementary Estimate for the Hyderabad and Sholapoor Road, sanctioned by Government in the Public Works Department in letter, No. 144, dated the 22nd December 1860, that the surplus balance of the two districts be added together and paid as compensation to officers and others who have built houses in those districts, and who will become losers by their transfer to the Nizam's Government.

6. To those who possess houses at Lingsoogoor, I would propose to pay one-third of the amount claimed as depreciation of their value, and allow them to retain their property, as they will probably, from the civil lines adjoining the military cantonment of Lingsoogoor being still occupied by a regiment of the Hyderabad Contingent, be able to sell or rent their property.

7. I beg herewith to enclose copy of a letter, dated 3rd January 1861, from the Commissioner on the subject of compensation to officers and others in the Dharaseo District, to whom I would propose to pay the value of their houses in full, deducting only a rateable per-centage on the *bonâ fide* price, say 15 per cent. as house rent for the time they had been occupied as residences: these houses will then become the property of the Native Government.

Enclosure, No.

8. What is now submitted is, as it will be seen, an approximate estimate of what may be the balance of the local fund at the date of transfer. If the proposal now submitted is approved of, a statement of the actual receipts and disbursements will be transmitted hereafter.

From *C. B. Saunders, Esq.*, Commissioner Hyderabad Assigned Territories, to Captain *Fraser*, Officiating First Assistant Resident; dated Camp, Bolarum, 3rd January 1861.

Sir,

I HAVE the honour to forward, for the consideration and orders of the Resident, a copy of a letter, No. 192, from Lieutenant Cadell, Deputy Commissioner Dharaseo District, dated 26th December 1860, with its enclosures in original, applying in behalf of the officers and servants of Government for compensation to be granted to them on account of the loss of their house property at Dharaseo owing to the transfer of the district to the Government of his Highness the Nizam.

2. I enclose an abstract statement showing the amounts claimed by each individual on account of their expected losses. It appears to me that the claims advanced are moderate in amount as well as legitimate and equitable in principle.

3. The whole of the above parties were either required or led to erect habitations for themselves at the station of Dharaseo upon the implied guarantee of Government that they would be continued in their several appointments subject to their own good conduct, and that the district would remain under the administration of British officers.

4. It has consisted with the policy of the Government to restore to his Highness the Nizam the district as a reward for his loyal and faithful conduct during the mutinies; but this fact can hardly be held to affect prejudicially the interests of private individuals.

5. The Government, without in any way committing themselves to a distinct promise on the subject, have already signified their intention of providing, if possible, for the officers who may, in consequence of the new arrangements, lose their present appointments, and I feel confident that the same liberal and equitable consideration will be extended to them in the matter of compensating them for losses which are about to occur through no fault of their own, but from causes entirely beyond their control.

6. There are several of the officers and others who, although they have expended considerable sums upon the houses they were erecting, have not yet inhabited them for a single day, and, unless relieved by the payment to them of compensation for the amount of their respective outlay, will suffer considerable pecuniary loss and inconvenience.

7. I would, therefore, beg strongly to urge upon the consideration of the Resident, the advisability of applying the balance of any sums remaining in the local funds of the two districts of the Raichore Doab and Dharaseo rateably, in liquidation of the amounts expended by private individuals connected with the administration of those two districts in erecting house accommodation for themselves.

8. The Deputy Commissioner of Raichore Doab has not yet submitted detailed lists of the expenditure incurred by individuals in erecting accommodation for themselves at Raichore, but I gather from that officer's letter, No. 243, dated 26th December 1860 (copy of which was forwarded for the orders of the Resident under cover of my letter, No. 1242, dated 31st idem), that the amount which may be claimed by such parties will not exceed 10,000 rupees, and therefore, the total amount claimable for both districts will fall short of 40,000 rupees.

9. I am not able to state exactly what the balance outstanding in the local funds will be when the accounts are brought to a final adjustment; but whatever the balance may prove, I do not think that under the circumstances it can be considered otherwise than a legitimate and proper expenditure of the same to liquidate the cost of buildings which will remain for local purposes, and may be turned by the Native Government in all probability to profitable use.

10. Should the amount remaining in the local funds not prove sufficient to meet the claims of all parties, after such claims have been properly taxed and ascertained to be correct, I trust that the Government of India, or that the Native Government, who will reap the advantage from the expenditure of private capital on the house property, will liberally defray the balance.

11. From an inspection of some of the enclosed claims, it would appear that sums have been charged on account of advances made for the purchase of materials which have not yet been applied in the construction of the works, and I am of opinion that in such cases, if compensation is awarded, the materials in question should be sold to the best advantage for Government, and the value thus obtained be credited to Government.

12. I regret that, in consequence of my immediate departure to join my new appointment, as Judicial Commissioner at Mysore, I am unable to undertake myself the duty of taxing and ascertaining their accuracy, but I have no reason to believe that any over-charge whatever has been made.

(Financial.—No. 192, of 1860.)

From Lieutenant *W. Cadell*, Deputy Commissioner, Dharaseo District, to *C. B. Saunders*, Esq., Commissioner, Hyderabad Assigned Territories.

Sir,

Camp, Mourinabad, 26 December 1860.

I HAVE the honour to forward, for your favourable consideration, claims for compensation made by the officers and some of the subordinates for expenditure incurred on houses which they were compelled to build on Dharaseo being established by Government as the head quarter station of the district.

ABSTRACT STATEMENT of CLAIMS for Compensation for Houses made by the Officers and Subordinates of the Dharaseo District.

No.	NAMES.	Amount of Claim.		
		Rs.	a.	p.
1	Lieutenant Cadell, Deputy Commissioner - - - -	6,575	3	8
2	Lieutenant Temple, Assistant Commissioner - - - -	2,622	12	5
3	Mr. C. Hordern, Officiating Assistant Commissioner - - -	1,262	12	8
4	Mr. Shunker Rao Rugonath, Extra Assistant Commissioner -	1,753	6	-
5	Mr. Turunjee Ruttonjee, Extra Assistant Commissioner - -	347	7	2
6	Dr. J. B. Fleming, Superintendent Central Gaol - - - -	*4,703	6	7
7	Sub-Assistant Surgeon F. Copwicke - - - - -	188	-	-
8	Assistant Apothecary Manasse - - - - -	1,167	-	-
9	Bhaskur Succoram, Acting Head Clerk - - - - -	47	-	-
10	Mr. Torrick, Clerk - - - - -	29	2	10
11	Kistiah, Clerk - - - - -	150	-	-
12	Suddasee Rajahram, Revenue Serishtador - - - -	100	13	-
13	Arnachel Rao Goondoo, Judicial Serishtador - - - -	20	-	-
14	Kundeo Rao Ram Chunder, Judicial Naib Serishtador - -	43	8	-
15	Pandoorung Ram Chunder Nazir - - - - -	31	12	-
16	Rugonath Ram Chunder, Jukman - - - - -	55	-	-
17	Cassim Allee, Jemadar - - - - -	7	4	-
18	Ram Chunder Vittul, Roobcar Novees - - - - -	27	15	-
19	Rookmajee Venketesh - - - - -	35	-	-
20	Mulkor Succaram, Roobcar Novees - - - - -	59	-	-
21	Waman Rao Narseo, Mabafiz Daftur - - - - -	50	-	-
22	Waman Rugonath - - - - -	15	-	6
23	Shaik Bickun, Sowar - - - - -	90	-	-
24	Govind Norhen, Dorogah - - - - -	1,011	8	-
25	Krista Rao Narseo, Izhor Novees - - - - -	104	6	3
26	Rookree wuld Byragee, Chuprassee - - - - -	27	-	-
TOTAL - - - Co.'s Rs.		20,524	6	1

* I do not recommend that interest be allowed on the expenditure, and I therefore have reduced the claim by Rs. 207. 13. 7. charged on that account.

3 January 1861.

(signed) *Chas. B. Saunders.*

(Foreign Department.—No. 285, of 1861.)

From *A. R. Young*, Esq., Officiating Secretary to the Government of India, with the Governor General, to Lieut.-Colonel *C. Davidson*, c.B., Resident at Hyderabad; dated Camp, Kylwara, 29th January 1861.

Sir,

I AM directed to acknowledge the receipt of your letter, No. 11, dated the 12th instant, submitting a proposal that the officers of the Raichore Doab and Dharaseo District should be compensated from the local funds of these districts for the houses which they will have to abandon when the above districts are transferred to the Nizam.

2. In reply, I am desired to inform you that these funds can be expended only on the improvement of the districts within which they were raised, as they belong to the people of those districts, and are not Government money in the sense of ordinary revenue. The Governor General is of opinion that the whole of the balance of the local funds, and the Raichore Doab and Dharaseo District, should be transferred to the Nizam along with the districts, on the understanding that the money will be expended on works of local interest.

3. As regards the question of compensation to the officers and other servants of Government in those districts, I am directed to inform you that his Excellency sanctions the grant of the compensation suggested by you on the 6th and 7th paragraphs of your letter under acknowledgment; the amount being charged to the ordinary revenue of the districts which we retain.

4. You are requested to furnish details of the amount which you may pay as compensation, under this sanction.

(No. 286, of 1861.)

COPY forwarded to the Financial Department at the Presidency for information.

(No. 287, of 1861.)

COPY of paragraphs 1 and 2 of this letter, and of paragraphs 2, 4 and 5 of the letter to which it is a reply, forwarded to the Public Works Department with the Governor General, for information.

(Civil Department.—No. 52, of 1861.)

From Lieut.-Colonel *Cuthbert Davidson*, c.B., Resident at Hyderabad, to *G. C. Barnes*, Esq., c.B., Officiating Secretary to the Government of India, Foreign Department; dated Hyderabad, 6th April 1861.

Sir,

REFERRING to my telegram of the 18th February 1861, wherein I reported the dates on which the Raichore Doab and the Dharaseo Districts had been transferred to the management of the Nizam's talookdars, and that the Deputy Commissioners of East and West Berar had also received charge of the Surfi Khas estates in their respective divisions, I now do myself the honour to submit a
further

further report in connection with these arrangements, having received the necessary information which I had been awaiting.

2. Agreeably with the instructions conveyed under my orders to the Deputy Commissioner, Dharaseo District, in a letter, No. 169 of the 21st January 1861, that officer reported in a communication, No. 12, of the 31st January 1861, that he had on that day made over charge of those districts to Mahomed Ibrahim Munsubdar, Esre Pershaud, and Syud Mohideen, the officers appointed by the Nizam's Government for that duty.

3. Mr. Cadell reported, at the same time, that he had informed the Nizam's officers, that all collections made after that date, would belong to his Highness the Nizam, but that the balance in the treasuries on that day belonged to the British Government.

4. Although instructions had been issued to the Deputy Commissioner, Raichore Doab, on the same date as that on which they had been sent to the Deputy Commissioner of the Dharaseo District, viz., the 21st January 1861, the arrangements for the transfer of the Raichore Doab Districts to the management of the officers appointed by the Nizam's Government were not finally completed until the 28th February 1861, as reported by Mr. Ricketts, the officer in charge of those districts in his letter, No. 71 of that date.

5. This delay in the transfer of these districts to the Native Government induced me to call for an explanation from Mr. Ricketts, who stated the delay to have been caused by the Nizam's Talookdars themselves, who did not arrive at Linsoogoor till the 2nd February 1861: that at an interview the same day they expressed a desire for Mr. Ricketts to communicate any suggestions he might have to make to them in regard to making over charge of the Talooks in writing; that this was done the same day, and their reply being received on the 4th, on the 5th all the Talook Tehsildars were desired to receive charge on behalf of the talookdars. From the date on which the Tehsildars received these instructions and similar orders from the Talookdars, they were virtually in charge, and all reports, revenue, collections, &c., were forwarded to them. On the 7th February they were in charge, except of the Sudder Establishments, which were occupied in preparing the necessary accounts, and particularly in showing the collections that had been made, and what remained to be made.

6. The accounts of the Raichore Doab and Dharaseo districts up to the date of transfer to his Highness the Nizam's officials, have been closed and forwarded by the district officers direct to the Accountant General to the Government of India.

7. The following statement shows the demand for the current Fuslee year 1270, A.D. 1860-61, in the above-mentioned districts; the collections that had been made on account of the British Government up to the date of their transfer to the Nizam's officials, and the balance that was left to them to collect:—

	Land Revenue.			Miscellaneous Revenue.			TOTAL.			Local Funds.			Village Expenses.			TOTAL.		
	<i>Rs.</i>	<i>a.</i>	<i>p.</i>	<i>Rs.</i>	<i>a.</i>	<i>p.</i>	<i>Re.</i>	<i>a.</i>	<i>p.</i>	<i>Rs.</i>	<i>a.</i>	<i>p.</i>	<i>Rs.</i>	<i>a.</i>	<i>p.</i>	<i>Rs.</i>	<i>a.</i>	<i>p.</i>
RAICHORE DOAB:																		
Demand - - - -	10,94,503	8	5	2,31,397	10	11	13,25,901	3	4	42,483	9	5	-	-	-	42,483	9	5
Collected by Deputy Commissioners - - - -	6,28,473	2	4	1,52,918	6	1	7,81,391	8	5	29,902	10	11	-	-	-	29,902	10	11
BALANCE remaining to be collected by Nizam's Officers - -	4,66,030	6	1	78,479	4	10	5,44,509	10	11	12,580	14	6	-	-	-	12,580	14	6
DHARASEO DISTRICT:																		
Demand - - - -	7,95,574	6	11	15,287	8	-	8,10,861	14	11	16,397	11	-	99,436	11	4	1,15,834	6	4
Collected by Deputy Commissioners - - - -	2,93,096	2	6	11,372	10	-	3,04,468	12	6	7,009	-	4	58,838	11	3	65,392	11	7
BALANCE remaining to be Collected by Nizam's Officers - -	5,02,478	4	5	3,914	-	-	5,06,393	2	5	9,388	10	8	41,053	-	1	50,441	10	9

8. The balances of revenue of 1270 Fuslee, A.D. 1860-61, remaining to be collected from the Surfi Khass and other estates, now transferred to our management in the two Berars, are as follows :—

DISTRICTS.	Amount of Balances.	TOTAL.	Recoverable.	Irrecoverable.
EAST BERAR :				
Surfi Khass :	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>
Nizam poor - - - -	16,840 14 4			
Salode - - - -	493 1 8			
Makhair - - - -	456 15 2			
Riedpoor - - - -	28,241 14 3			
Batkooly - - - -	10,543 13 3			
Dewanee :				
Moortijapoor - - - -	1,093 9 10			
Mannah - - - -	428 9 3			
Koorum - - - -	359 13 3			
Mungroolpeer - - - -	1,453 14 10			
Koorah - - - -	400 7 -			
Mungrool Dustageer - - - -	213 2 11			
Dorriapoor - - - -	- - -			
Jagheer villages - - - -	542 11 6			
TOTAL Rupees - - - -	- - -	35,648 15 3	31,824 10 5	3,824 4 10
WEST BERAR :				
Surfi Khass :				
Budnair Gungai - - - -	384 1 -			
Punny Mahagaom - - - -	585 14 6			
Punchghowan - - - -	1,763 7 3			
Yewdah - - - -	240 - -			
Budnair Bolejee - - - -	2,603 10 9			
Jagheer :				
Amborah - - - -	459 6 -			
Julkah - - - -	49 2 -			
Khodawundpoor - - - -	152 12 -			
Bowenbeer - - - -	2,003 2 6			
Wunchorai, or grazing tax of Talook Budnair - - - -	1,406 14 6			
TOTAL Hyderabad Rupees	- - -	9,630 6 6	3,949 12 -	5,680 10 6

9. I would here, however, beg to observe that the officers of the native Government, immediately they heard of the proposed transfer of the Surfi Khass and other estates to the British Government, insisted on all revenue being paid up, hence the small sum which has been left to us to collect in Berar.

10. The balances in the treasuries of the Raichore Doab and Dharaseo Districts up to the date of their transfer to the Nizam's Government, remitted assets of the British Government to the Collectors of Dhurwar and Sholapoor respectively, were 10,60,000 rupees from the former, and Rs. 3,11,127. 11. 2. from the latter district, as per statement appended, marked No. 1.

11. But the balances which have been remitted as assets of the British Government to the Bombay Presidency, it will be perceived from the statement above referred to, include certain sums, such as balances of the local funds which, agreeably to the instructions of Government, as conveyed in their letter No. 285, dated 29th January 1861, are assets of the Nizam. Balances of collections on account of village expenses, and of deposits which had remained unpaid, and which are locally repayable, amounting in all to Rs 1,03,537. 8.

12. As a set-off against the above, however, are certain other items amounting to Rs. 57,596. 10., on account of expenditure incurred under our administration by the Bombay Revenue Survey Department, for erecting boundary works in

in Government cultivated and Inam lands in the Raichore Doab and Dharaseo Districts which are recoverable from the ryots and Inamdars, and a sum of Rs. 2,998. 7. of Tuccavee advances made by the Deputy Commissioner Dharaseo District remaining to be collected from ryots. These sums will now be collected from the parties by the Nizam's Talookdars, and are therefore, debitable against the items mentioned in the preceding paragraph.

13. The actual sum remitted in excess to the Bombay Presidency from the assets of the Nizam's Government, after the above adjustment, amounts to Company's Rs. 23,507. 11. 7.

14. The sum of Rs. 22,433. 2. 5., the balance in the Raichore Doab Treasury on the 28th February 1861, deposited by the district officer in the Military Cash Chest at Lingsoogoor, is also a portion of the assets of the Native Government which should have been made over to the Nizam's Talookdars, but as, for reasons of financial economy, it was found desirable to withdraw that sum for the pay of the troops of the Hyderabad Contingent stationed at Lingsoogoor; the same is recoverable from the revenues of the districts which we retain, as is also the item of 400 rupees advanced from the Dharaseo Treasury, for the conveyance of timber from that district to Berar. The small item of Rs. 32. 8., advanced from the same Treasury on account of Government horses proceeding to Hyderabad is a charge against the British Government, and will be duly adjusted in account with the Political Treasury at this Residency.

15. The Berar Districts at the end of the present year will, by the re-transfer of Dharaseo and Raichore to the Nizam, have borne a very unproportionally large share of the general expenses of the administration, and the general charges payable under the Treaty. From the more profitable rates of exchange available to us by bills on the Berar Treasuries, we have drawn on them principally during the year for the supply of this treasury, for the pay of the Contingent at other stations, and indeed in all possible cases. It would not appear that his Highness the Nizam should profit in every way to our pecuniary disadvantage by the late negotiations. The kists not actually due in the Raichore and Dharaseo Districts were left undisturbed; those in the Districts of Berar under transfer to us were eagerly forestalled. Until the revenues of the Berars reach the stipulated amount of 32 lacs of rupees, it could hardly be expected that they should bear so disproportionate a share of the pay of the Contingent as will have been borne by them this year, at a rough estimate, 22,66,000 rupees against the 2,64,544 rupees which alone has been drawn on this account from the revenues of Dharaseo and Raichore. It is estimated that the revenues of the Berars during the present year will amount only to 24,65,488 rupees inclusive of the balances left uncollected by the native officials in the Surfi Khass and Jagheer estates. It may perhaps be intended by the expression in the late Treaty of dispensing "with all accounts, past, present, or to come" that no question of accounts shall now be entered into; otherwise it appears to me that we might, under the foregoing considerations very fairly claim the sum of Rs. 3,89,938. 3. 10, as per accompanying statement. The difference between the estimated revenues of Berar for the year, and the stipulated amount of 32 lacs, at which they were made over to us.

Enclosure No. 1

16. The officers of the commission in the Raichore Doab and Dharaseo Districts gave up their respective charges on the following dates; up to which period their salaries were disbursed to them from the district treasuries of the British Government.

17. Mr. T. H. Bullock, Deputy Commissioner, left the Raichore Doab District on the leave to Europe, granted to him by Government on the 29th January 1861, making over charge of the district to Mr. Ricketts, Assistant Commissioner, and he disbursed to himself half pay from that date up to the 26th February 1861, the date on which he embarked at Bombay.

18. Mr. Kustonjee Viccajee, Assistant Commissioner, vacated his appointment in the Raichore Doab on the 31st January 1861, and proceeded to Hyderabad, pay being disbursed to him up to that date.

19. Mr. Narrainsawmy Naidoo, extra Assistant Commissioner, vacated his appointment on the 14th February 1861, and was paid up to that date.

20. Mr. Ricketts, Assistant Commissioner at Lingsoogoor, the Suddur station of the Raichore Doab, up to the 28th February 1861, to close the accounts of that district, being paid up to that date, and left to take up his appointment as Assistant Commissioner in the Mysore Commission.

21. Mr. Mahomed Hunneef, extra Assistant Commissioner, vacated his office on the 28th February 1861, and was paid up to that date.

22. *Dharaseo District*.—Lieutenant Cadell, the Deputy Commissioner, received his salary from the treasury of the Dharaseo District up to the 31st January 1861, the date on which the charge of the district was made over to the Nizam's officials, but remained at Nuldroog to close the accounts of the district up to the 28th February 1861, when he proceeded to West Berar.

23. Lieutenant S. Temple, Assistant Commissioner, vacated his appointment on the 31st January 1861, being also paid up to that date.

24. Mr. C. Hordein, Extra Assistant Commissioner, vacated his appointment on the 31st January 1861, was paid up to that date, and proceeded to West Berar.

25. Mr. Shunker Rao Rughonath, Extra Assistant Commissioner, vacated his appointment on the 31st January 1861, and was paid up to that date.

26. Mr. Javaiajee Ruttonjee, Extra Assistant Commissioner, vacated his appointment on the 28th February 1861, and was paid up to that date; he was detained up to this period; his services being required by the Deputy Commissioner.

27. Dr. Fleming, the Superintendent, made over the prisoners in the central gaol of Dharaseo to the Nizam's authorities on the 14th February 1861, and salary was disbursed to him up to 31st January 1861 from the Treasury of the Dharaseo District, his salary up to the 14th February was disbursed from the Civil Treasury at Hyderabad.

28. *Establishments*.—The different establishments in these districts were dispensed with on the following dates.

RAICHORE DOAB:

Tehseel Establishments	-	-	-	-	-	-	on the	7th	February 1861.
Thannah Establishment	-	-	-	-	-	-	"	7th	" "
Gaol Establishments	-	-	-	-	-	-	"	7th	" "
Post Office Establishment	-	-	-	-	-	-	"	7th	" "
Assistant Commissioners' Establishment	-	-	-	-	-	-	"	14th	" "
Sub Divisional Assistant Commissioners	-	-	-	-	-	-	"	14th	" "
Extra Assistant Commissioners	-	-	-	-	-	-	"	14th	" "
Extra Assistant Commissioners	-	-	-	-	-	-	"	14th	" "
Deputy Commissioners	-	-	-	-	-	-	"	28th	" "
Treasury Establishments	-	-	-	-	-	-	"	28th	" "

DHARASEO DISTRICT:

1st Class Assistant Commissioners' Establishment	-	-	"	31st	January	"
2nd Class Assistant Commissioners' Establishment	-	-	"	31st	"	"
Extra Assistant Commissioner	-	-	-	31st	"	"
Extra Assistant Commissioner	-	-	-	31st	"	"
Tehseel Establishments	-	-	-	31st	"	"
Police Thannah Establishments	-	-	-	31st	"	"
Mounted Police Establishments	-	-	-	31st	"	"
Medical Establishments (excepting three waiters at 5 rupees each, who were dispensed with on the 28th February 1861)	-	-	"	31st	"	"
District Gaol Establishment	-	-	-	31st	"	"
Surfi Khass Thannah Establishment	-	-	-	31st	"	"
Deputy Commissioner's Establishment	-	-	-	28th	February	"
Treasury Establishment	-	-	-	28th	"	"
Talook Treasury Guard	-	-	-	28th	"	"
Central Gaol Establishment	-	-	-	9th	"	"

29. I would here beg to solicit the instructions of Government in regard to an application for a gratuity of six months' pay, under section III. of the pension and gratuity rules, made to me by several Government officials in the Dharaseo Division

Division, in consequence of their being thrown out of employ by the transfer of that district to the native Government; a similar application in behalf of the officials similarly situated in the Raichore Doab was likewise made by Mr. T. H. Bullock, the Deputy Commissioner of that division. The maximum sum that will be required for the disbursement of these donations to servants in the two districts above mentioned, will probably amount to about 1,10,000 Company's rupees.

30. I now proceed to report upon the arrangements that have been made for taking under our management, districts in Berar, to the extent of 32 lacs of rupees, in conformity with the recent Treaty with his Highness the Nizam.

31. From the accompanying two statements received from the district officers it will be perceived that the revenues of West Berar, including the Surfi Khass and other estates (exclusive of village expenses) taken over by the Deputy Commissioner under his charge, amount to Company's Rs. 16,13,685. 10. 6, and that of East Berar likewise, including the Surfi Khass and other estates, to Company's Rs. 14,47,928. 13. 8., making a total of Company's Rs. 30,61,614. 8. 2., or Rs. 1,38,385. 7. 10., less than the amount we require.

Enclosures 2 and 3.

32. As the Rs. 16,13,685. 10. 6., however, in West Berar is exclusive of 140,000 rupees, on account of remissions in 1859-60, that season being one unusually unfavourable, the same has been taken into account in calculating the revenues of that district, which enhances the revenue of it to Rs. 17,53,685. 10. 6.

33. At the same time it will be observed that the Rs. 14,47,928. 13. 8., the revenue of East Berar, includes a sum of Rs. 71,579. 4. 2. Collections on account of former years which should not have been taken into account not being revenue collections for the year. This deduction reduces the revenue of East Berar to Rs. 13,76,349. 9. 6., and from which should further be excluded 15,000 rupees, the balances of previous years remaining uncollected at the end of 1859-60, thus bringing the actual revenue of East Berar down to Rs. 13,61,349. 9. 6.

34. According to these adjustments, the total revenue of the two Berars as per statement accompanying, would amount to Rs. 31,15,035. 4. or Rs. 84,964. 12., less than the 32 lacs we require.

Enclosure No. 4.

35. It has already been shown that the revenues of West Berar, as given by the Deputy Commissioner amount to Rs. 16,13,685. 10. 6., or Rs. 13,685. 10. 6., over and above the sum of 16 lacs of rupees which it is proposed to allot hereafter to that district as its share of the 32 lacs allowed by the Treaty.

36. With a view to bringing about this equalisation of revenue in the two districts, the Deputy Commissioners propose that Mehals of West Berar yielding (after deducting village expenses), Company's Rs. 14,244. 1. 4. and lying within the boundary of Sirkar Gawil, should be transferred to East Berar, bringing the revenue of the Western Division Rs. 558. 6. 10. short of the sum of 16 lacs. These Mehals are shown in the margin; the principal is one of those lately received in West Berar from the Surfi Khass estates.

	Rs.	a.	p.
Mauza Luckpooree, near Moortoozapoor, in Sirkar Gawil - - - - -	850	3	8
Kusha Burda, received from Surfi Khass, Sirkar Gawil - - - - -	13,384	13	8
TOTAL - - - Co.'s Rs.	14,244	1	4

37. The above sum of Rs. 14,244. 1. 4. added to the revenue of East Berar as given by the Deputy Commissioner, viz., Rs. 14,47,928. 13. 8., will make up the revenue of that district to Rs. 14,62,172. 15. 0. or Rs. 1,37,827. 1. 0. short of the sum required to complete the 16 lacs allotted to the Eastern Division.

38. The Deputy Commissioners conjointly are of opinion, that this deficiency of Rs. 137,827. 1., may be best made up by receiving additional Purgunnahs now belonging to his Highness the Nizam, and lying to the North of the Pyne Gunga river, as shown in the map accompanying; by this arrangement the Pyne Gunga will form the boundary of East Berar to the South, and though the country is in some places jungly, and not densely populated, still it is

Enclosure.

believed to be like the Woon Talook, to which it is adjacent, highly capable of improvement, and with adequate protection will no doubt in a few years increase greatly in revenue.

39. The Deputy Commissioners are not in possession of correct data on which to form an exact estimate of the value of these Purgunnahs to the North of the Pyne Gunga, but believe the revenue of them will be found to amount to the sum required.

40. Although it is our object not to extend our frontier in that direction, still situated as the Sudder stations of the two divisions of Berar are, the Deputy Commissioners consider it impossible to hand over more mehals from West to East Berar without bringing the boundary of the latter district close up to the Sudder station of the former, and that, under any circumstances, the frontier towards his Highness the Nizam's territories must be an extended one, and they do not consider that it would be desirable to bring that frontier nearer to the Sudder station of our districts.

Vide Encl. No. 5.

41. The map forwarded will show that between Talook Mehkur of West Berar and Booldanah, there is a strip of country still held by his Highness the Nizam's Government, and running far into the district close to the new military station of Telgaom: this interrupts the communication between Talooks Meh Kua and Davulghaut, and it will be at once apparent that a fresh arrangement of our frontier in this direction is desirable.

42. In this strip of country are the Purgunnahs of Aurrapoor Chicklee, Chandole, &c., and the Deputy Commissioners are of opinion that they should be brought within the boundary of the assigned districts. As far as can be ascertained, the Deputy Commissioners state the revenue of these Purgunnahs and other adjacent mehals amount to about Company's Rs. 35,000, and that an equivalent may be given to his Highness the Nizam's Government, by restoring to it mehals as per statement No. 6, in West Berar, amounting to Company's Rs. 35,455. 7. 6.

Enclosure No. 6.

43. The two first mehals in this statement are to the extreme south west of West Berar, and yield Company's Rs. 31,744. 14. 1., to which are added seven villages now under Purgunnah Nurse, which form part of Talook Bassim; they are completely detached from our districts, and are in the centre of, and belong to Purgunnahs under his Highness the Nizam; some of them 20 or 30 miles to the south of Hingolee, and nearly 60 miles from the Tehsil station of Bassim; one of them is on the banks of the Godavery, it is inconvenient to have the revenue management of villages so situated, while proper supervision in matter of police is altogether impracticable. These seven villages yield Company's Rs. 3,700. 9. 5., which added to the two Purgunnahs of Shewly and Sundkhair above referred to, makes a total of Company's Rs. 35,445. 7. 6., for which an equivalent would easily, and with great advantage to us, be obtained in the Purgunnahs of Umrapoor, &c., intervening between Mehkur and Booldanah.

44. I concur generally in the desirability of the arrangements as proposed by the Deputy Commissioner, but we require, according to the statement prepared in my office, the further sum of Rs. 84,964. 12., of annual revenue to make up the 32 lacs, and I would propose to re-transfer to the Nizam, districts of the value of Rs. 52,862. 5., with a view to the re-arrangement of the frontier, making a total amount of Rs. 1,37,827. 1., of annual revenue to be received from the Hyderabad Government.

As per Enclosure No. 7.

45. The above proposals have already been made by me to the Minister with a view to their submission to his Highness the Nizam, and although our frontier towards the south and south-west in West Berar is still open, and not as well defined by natural boundaries as I would wish, still I believe it is possible to defend it, as we now get rid of all the isolated Talooks, and Surfi Khass estates, dotted over both districts of Berar, the nature of which will be seen by the portions marked green in the accompanying map, and which have hitherto rendered an efficient police almost an impossibility.

Vide Enclosure No. 5.

IV.—STATEMENT of ACTUAL COLLECTIONS of Government Demand, for the Year 1859–60, of the Old Talooks of *East Berar*, and of the New Talooks just received, after Deductions shown in Statement No. 3.

	Land Revenue.			Abkaree.			Salt Pans.			TOTAL.																							
	Current Year.	Former Years.	TOTAL.	Current Year.	Former Years.	TOTAL.	Current Year.	Former Years.	TOTAL.	On Account of Current Year.	On Account of Former Years.	GRAND TOTAL.																					
	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.	Rs.	a.	p.																					
EAST BERAR:																																	
Omratoce	1,62,700	5	6	1,73,326	12	10	27,883	13	4	1,208	2	4	29,181	15	8	4,730	1	4	2,251	14	6	6,981	15	10	1,95,314	4	2	14,176	8	2	2,09,490	12	4
Karinjah	1,07,155	10	8	1,14,358	9	-	12,708	13	-	-	-	-	12,708	13	-	-	-	-	-	-	-	-	-	-	1,19,864	7	8	7,202	14	4	1,27,067	6	-
Tallagom	75,455	7	7	81,600	10	9	15,278	15	-	590	2	-	15,878	1	-	-	-	-	-	-	-	-	-	-	90,734	6	7	6,744	5	2	97,478	11	9
Ellichpoor	1,14,555	12	6	1,29,544	-	8	31,601	-	-	3,089	3	2	34,690	3	2	-	-	-	-	-	-	-	-	-	1,46,156	12	6	18,077	7	4	1,64,234	3	10
Moortsee	1,46,061	11	11	1,48,366	4	1	20,193	-	-	1,635	4	10	21,828	4	10	-	-	-	-	-	-	-	-	-	1,66,254	11	11	3,930	13	-	1,70,194	8	11
Kurusgom	94,290	6	11	96,083	8	6	15,188	4	-	839	3	2	16,027	7	2	-	-	-	-	-	-	-	-	-	1,09,478	10	11	2,632	4	9	1,12,110	15	8
Woon	51,128	3	1	53,500	12	11	11,329	-	-	-	-	-	11,329	-	-	-	-	-	-	-	-	-	-	-	62,457	3	1	2,381	9	10	64,838	12	11
TOTAL Company's Rupees	7,51,347	10	2	7,96,789	10	9	1,34,182	13	4	7,460	15	6	1,41,643	12	10	4,730	1	4	2,251	14	6	6,981	15	10	8,90,260	8	10	55,154	14	7	9,45,415	7	5
SURFI KHASS:																																	
Nizampoor Pergunnah	1,06,554	2	-	1,22,554	-	-	5,579	6	6	-	-	-	5,579	6	6	1,701	-	-	-	-	-	-	-	-	1,13,834	8	6	10,000	-	-	1,29,834	8	6
Salode	7,545	1	6	7,545	1	6	1,329	1	-	-	-	-	1,329	1	-	-	-	-	-	-	-	-	-	-	8,874	2	6	-	-	-	8,874	2	6
Papul	3,606	11	-	3,606	11	-	214	12	-	-	-	-	214	12	-	-	-	-	-	-	-	-	-	-	3,821	7	-	-	-	-	3,821	7	-
Malkhair	5,135	9	-	5,135	9	-	892	10	-	-	-	-	892	10	-	-	-	-	-	-	-	-	-	-	6,028	3	-	-	-	-	6,028	3	-
Pullas Khair	4,807	-	9	4,807	-	9	672	3	-	-	-	-	672	3	-	-	-	-	-	-	-	-	-	-	5,479	3	9	-	-	-	5,479	3	9
Cusba Khaid	3,542	3	9	3,542	3	9	223	12	3	-	-	-	223	12	3	-	-	-	-	-	-	-	-	-	3,766	-	-	-	-	-	3,766	-	-
" Bailoorah	8,766	1	-	8,766	1	-	433	9	-	-	-	-	433	9	-	-	-	-	-	-	-	-	-	-	9,199	10	-	-	-	-	9,199	10	-
Pergunnah Reelipoor	63,572	2	3	64,772	2	3	4,794	4	-	-	-	-	4,794	4	-	2,561	10	-	-	-	-	-	-	-	68,366	6	3	1,200	-	-	69,566	6	3
" Bhatooly	31,388	5	6	34,388	5	6	1,366	12	6	-	-	-	1,366	12	6	-	-	-	-	-	-	-	-	-	35,316	12	-	3,000	-	-	38,316	12	-
TOTAL Hyderabad and Company's Rupees	2,34,917	4	9	2,53,117	4	9	15,506	6	3	-	-	-	15,506	6	3	4,262	10	-	-	-	-	-	-	-	2,54,686	5	-	20,200	-	-	2,74,886	5	-
Details - Hyderabad Rupees -	1,59,487	12	3	1,79,687	12	3	15,458	-	-	-	-	-	15,458	-	-	4,262	10	-	-	-	-	-	-	-	1,79,208	6	3	20,200	-	-	1,99,408	6	3
Company's Rupees -	75,429	8	6	75,429	8	6	48	6	3	-	-	-	48	6	3	-	-	-	-	-	-	-	-	-	75,477	14	9	-	-	-	75,477	14	9

DEWANE: Pergunnah Moortazapoor " Manah " Koorum " Mungroolpoor " Grolea Mouza Garwarree Pergunnah Koorah " Mungrool Dustageer " Durriapoor Mouza Kokurdah TOTAL, Hyderabad Rupees	45,825 7 -	-	-	45,825 7 -	2,075 8 6	-	-	-	2,075 8 6	-	-	-	-	-	-	47,900 15 6
	25,830 13 9	-	-	25,830 13 9	473 6 3	-	-	-	473 6 3	-	-	-	-	-	-	26,304 4 -
	15,788 10 3	-	-	15,788 10 3	523 5 6	-	-	-	523 5 6	-	-	-	-	-	-	16,311 15 9
	36,779 7 6	-	-	36,779 7 6	580 6 6	-	-	-	580 6 6	-	-	-	-	-	-	37,359 14 -
	20,854 6 9	-	-	20,854 6 9	369 13 -	-	-	-	369 13 -	-	-	-	-	-	-	21,224 3 9
	1,432 11 9	-	-	1,432 11 9	26 -	-	-	-	26 -	-	-	-	-	-	-	1,458 11 9
	52,477 9 6	-	-	52,477 9 6	1,891 6 -	-	-	-	1,891 6 -	-	-	-	-	-	-	54,368 15 6
	20,414 5 -	-	-	20,414 5 -	409 8 -	-	-	-	409 8 -	-	-	-	-	-	-	20,823 13 -
	68,698 9 9	-	-	68,698 9 9	3,495 13 9	-	-	-	3,495 13 9	-	-	-	-	-	-	75,228 7 6
	973 3 6	-	-	973 3 6	-	-	-	-	-	-	-	-	-	-	-	973 3 6
JAGHER: Mouza Dabab " Pahore " Darnengoom " Munbah " Poosdab " Khajmah Nugger " Verrook " Thar Kheira TOTAL, Hyderabad Rupees TOTAL of Surfi Khass, Dewanee, and Jagher Estates in Hydera- bad and Company's Rupees	1,450 13 -	-	-	1,450 13 -	25 3 6	-	-	-	25 3 6	-	-	-	-	-	-	1,476 - 6
	3,058 15 6	-	-	3,058 15 6	104 3 3	-	-	-	104 3 3	-	-	-	-	-	-	3,163 2 9
	5,331 15 -	-	-	5,331 15 -	1,575 11 9	-	-	-	1,575 11 9	-	-	-	-	-	-	6,907 10 9
	5,682 14 9	-	-	5,682 14 9	119 8 -	-	-	-	119 8 -	-	-	-	-	-	-	5,802 6 9
	4,667 13 3	-	-	4,667 13 3	315 -	-	-	-	315 -	-	-	-	-	-	-	4,982 13 3
	679 12 6	-	-	679 12 6	80 -	-	-	-	80 -	-	-	-	-	-	-	759 12 6
	1,420 14 9	-	-	1,420 14 9	253 2 3	-	-	-	253 2 3	-	-	-	-	-	-	1,674 1 -
	350 7 9	-	-	350 7 9	525 15 6	-	-	-	525 15 6	-	-	-	-	-	-	876 7 3
	22,643 10 6	-	-	22,715 12 -	2,998 12 3	-	-	-	2,998 12 3	-	-	-	-	-	-	25,714 8 3
	5,46,636 4 -	-	-	5,66,908 5 6	30,350 6 -	-	-	-	30,350 6 -	-	-	-	-	-	-	5,82,283 4 -
Viz.—Company's Rupees Hyderabad Rupees converted into Company's currency at Rs. 23. 6 a. 10 p. per Cent. TOTAL of Surfi Khass, Dewanee, and Jagher Estates in Com- pany's Rupees	75,429 8 6	-	-	75,429 8 6	48 6 3	-	-	-	48 6 3	-	-	-	-	-	-	75,477 14 9
	3,81,709 4 11	-	-	3,98,193 10 6	24,550 8 3	-	-	-	24,550 8 3	-	-	-	-	-	-	4,27,035 7 6
	4,57,198 13 5	-	-	4,73,623 3 -	24,598 14 6	-	-	-	24,598 14 6	-	-	-	-	-	-	5,02,513 6 3
	16,424 5 7	-	-	16,424 5 7	4,291 4 9	-	-	-	4,291 4 9	-	-	-	-	-	-	16,424 5 7
	61,866 6 2	-	-	61,866 6 2	1,58,781 11 10	-	-	-	1,58,781 11 10	-	-	-	-	-	-	71,579 4 2
	12,08,546 7 7	-	-	12,70,412 13 9	7,460 15 6	-	-	-	7,460 15 6	-	-	-	-	-	-	14,47,938 13 8
	12,08,546 7 7	-	-	12,70,412 13 9	7,460 15 6	-	-	-	7,460 15 6	-	-	-	-	-	-	14,47,938 13 8
	12,08,546 7 7	-	-	12,70,412 13 9	7,460 15 6	-	-	-	7,460 15 6	-	-	-	-	-	-	14,47,938 13 8
	12,08,546 7 7	-	-	12,70,412 13 9	7,460 15 6	-	-	-	7,460 15 6	-	-	-	-	-	-	14,47,938 13 8
	12,08,546 7 7	-	-	12,70,412 13 9	7,460 15 6	-	-	-	7,460 15 6	-	-	-	-	-	-	14,47,938 13 8

Note.—The Total of Rs. 14,47,938, 13 a. 8 p. includes Rs. 16,424. 5 a. 7 p. on account of the previous year of Surfi Khass Estate, and Rs. 55,154. 14 a. 7 p. of East Berar.

Deputy Commissioner's Office, Oomrartee,
5th March 1861.

(signed) J. Allardice,
Officiating Deputy Commissioner, East Berar.

IV.—STATEMENT of REVENUE of *West Berar*, for 1269 Fuslee, including that of the Surfi Khass and Jagheer Estates recently transferred.

Number.	Talookahs and Purgunnahs.	Amount.	TOTAL.
	TALOOKAHS OF WEST BERAR:	Rs. a. p.	Rs. a. p.
1	Dewulghat - - - - -	1,05,450 11 10	
2	Mulcapoor - - - - -	1,61,725 3 -	
3	Julgaom - - - - -	1,09,041 4 7	
4	Ballapoor - - - - -	2,65,274 8 6	
5	Akolah - - - - -	1,61,784 11 9	
6	Udgaom - - - - -	1,18,793 8 8	
7	Akote - - - - -	1,40,691 2 4	
8	Mailghau - - - - -	24,508 1 9	
9	Mehkur - - - - -	2,00,229 5 6	
10	Bassin - - - - -	1,31,916 11 9	
	Amount realised at the Suddur - - -	25,300 9 2	14,44,715 14 10
	SURFI-KHAS ESTATES:		
11	Purgunnah Budnair Gaugai - - -	48,268 4 10	
12	Ditto - Puroney Mahagaom - - -	29,299 1 1	
13	Ditto - Punchghowham - - -	7,389 5 6	
14	Kusbah Yewdah - - - - -	13,384 13 8	
15	Ditto Sonalah - - - - -	9,917 14 2	
16	Mouza Sawurgaom - - - - -	2,226 9 6	
17	Turf Chinchonah - - - - -	12,693 - 6	
18	Mouza Taklee - - - - -	660 4 11	
19	Ditto Porallah - - - - -	75 4 9	
	Wunchorai of the above nine mehals - -	1,215 4 8	
20	Purgunnah Budnair Bolejee - - -	18,569 6 10	
	JAGHEER VILLAGES:		
21	Mouza Pulsee - - - - -	2,778 8 6	
22	Ditto Kudmapoor - - - - -	1,755 10 9	
23	Ditto Tamboorna - - - - -	2,363 1 6	
24	Ditto Amborah - - - - -	1,552 4 6	
25	Ditto Julka - - - - -	2,903 4 9	
26	Ditto Seradoni - - - - -	702 4 -	
27	Ditto Khodawundpoor - - - - -	279 14 9	
28	Pergunnah Bawenbier - - - - -	12,935 4 6	
			1,68,969 11 8
		Rs.	16,13,685 10 6

(signed) *Ivie Campbell*,
Deputy Commissioner, West Berar.

Deputy Commissioners' Office, Camp Romtaik,
9th March 1861.

STATEMENT showing the REVENUE RECEIPTS of *East* and *West Berar*, including the Surfi Khass, Jagheer, and other Estates, for the Fuslee Year 1269, A.D. 1859-60.

	Co.'s Rs. a. p.	Co.'s Rs. a. p.	Co.'s Rs. a. p.	Co.'s Rs. a. p.
Estimated revenue of the districts to be taken in Berar, exclusive of village expenses, agreeably with the Treaty of 31st December 1860.	- - -	- - -	- - -	32,00,000 - -
EAST BERAR:				
Collections from old talooks of East Berar, as Deputy Commissioner's statement, marked Enclosure No. 2.	9,45,415 7 5			
Deduct amount included in the above sum as collections on account of previous years, as per ditto.	55,154 14 7			
		8,90,260 8 10		
Collections from the Surfi-Khass, Jagheer, and other estates, as per Deputy Commissioner's statement, marked Enclosure No. 2.	5,02,513 6 3			
Deduct amount included in the above sum as collections on account of previous years, as per ditto.	16,424 5 7			
		4,86,089 - 8		
		13,76,349 9 6		
Deduct balances previous years remaining uncollected at the end of the year 1269 Fuslee, as estimated by Deputy Commissioner in his letter, No. 116, dated 4th March 1861.	- - -	15,000 - -		
Estimated Revenue of East Berar - - - - }	- - -	- - -	13,61,349 9 6	
WEST BERAR:				
Collections from old talooks of West Berar as per Deputy Commissioner's statement, marked Enclosure No. 3.	14,44,715 14 10			
Collections from the Surfi-Khass and other estates, as per ditto.	168,969 11 8			
		16,13,685 10 6		
Add remissions of revenue made in the year 1859-60 in the old talooks of West Berar and the Surfi-Khass and other estates, after deducting village expenses, as per Deputy Commissioner's letter, No. 25, dated 29th March 1861.	- - -	1,40,000 - -		
			17,53,685 10 6	
Estimated Revenue of East and West Berar - - - }	Co.'s Rs. - - -	- - -	- - -	31,15,035 4 -
Deficit for which additional Talooks are required - - -	- - -	- - -	Co.'s Rs.	84,964 12 -

Resident's Civil Office, Hyderabad Residency,
6 April 1861.

(signed) *Hastings Fraser*,
Officiating First Assistant Resident.

STATEMENT (B.), showing Mehals proposed to be restored to His Highness the Nizam's Government.

	Revenue of 1859-60.
	<i>Rs. a. p.</i>
Pergunnah Sheolee - - - - -	11,786 15 4
Ditto - Scindiah, with Rajah Dewnlgaom - - -	19,957 14 9
Mouza Kooptee Pergunnah Wallore - - -	1,004 9 8
Ditto Kanna, Pergunnah Cheirwair - - -	183 2 -
Ditto Dewnlgaom, Pergunnah Lohurra - - -	935 5 6
Ditto Gurrud Goorhan, Pergunnah Jurtoor - - -	241 14 8
Ditto Chamme, Pergunnah Jurtoor - - -	234 13 9
Ditto Alpoor, Pergunnah Jurtoor - - -	236 1 -
Ditto Pangree, Pergunnah Jurtoor - - -	864 10 10
TOTAL - - - Co.'s Rs.	35,445 7 6

(signed) *Ivie Campbell,*
Deputy Commissioner, West Berar.

Deputy Commissioner's Office,
Camp Hudgaom, near Moortizapoor,
29 March 1861.

J. Allardyce,
Officiating Deputy Commissioner,
East Berar.

(Civil Department, Financial.—General No. 565, of 1861.)

To Major *T. A. Cowper*, Commissioner, Hyderabad Assigned Districts.

Sir,

I HAVE the honour by desire of the Resident to acknowledge the receipt of your letter, No. 297 $\frac{1}{2}$, dated 19th March 1861, offering certain suggestions for the re-arrangement of the Berar Districts, agreeably with the terms of the Treaty of 31st December 1860.

2. With reference however to this Office, No. 486, of the 21st March 1861, forwarding, for your information, copy of a letter to the address of the Officiating Deputy Commissioner of East Berar, No. 484, of the same date, in which that officer was directed by the Resident to meet Captain Campbell, Deputy Commissioner of West Berar, and to re-arrange with him the establishments to be entertained agreeably to the amount allowed for the civil expenditure of the two Berars, and to finally determine, subject to the approval of higher authority upon all questions connected with the equalisation of the revenue of the two divisions of those districts and the adjustment of the new frontier, between the Nizam's immediate districts, and the assigned territories, I am directed to convey Colonel Davidson's views and opinions on the conjoint proposals of the two district officers referred to as submitted in their letter, No. 25 of the 29th ultimo, a copy of which the Resident presumes has already been furnished to you by them direct.

3. According to the calculation of revenue made by the Deputy Commissioner of East and West Berar, it will be perceived that they show we shall require additional territory to the extent of *Rs. 1,37,827 1. 0.*, but the accompanying statement prepared in this office, shows no more than *Rs. 84,964 12. 0.* worth of territory is wanting to make up the 32 lacs we require.

4. The Resident does not consider it, however, desirable to make any change in the arrangements proposed by the Deputy Commissioners in the transfers suggested by them, but with a view to reducing the amount to the *Rs. 84,964 12. 0.* of revenue required to make up the deficit, Colonel Davidson has proposed to the Nizam's Government to restore districts to them in the talooks of Sindkhair, Bassini, and Karunjah, to the extent of the difference between that sum and *Rs. 137,827 1. 0.*

5. The

5. The accompanying map of Berar Districts is forwarded in illustration of the Resident's proposals.

6. If necessary, an assistant or extra assistant should be directed to fix his head quarters at some eligible spot in the Woon Talook, as it appears to Colonel Davidson, that if this officer is accompanied by a sufficiently strong detachment from the Hyderabad Contingent to act in support of a party of the Hill Rangers, and of the organised police of the district which should be stationed on the frontier, to protect the inhabitants of Woon from the depredations of marauders from the neighbouring territory of his Highness the Nizam, notoriously the most disturbed of his Highness's country, the confidence which such an arrangement would instil in the minds of the people would tend materially to induce farmers to come forward to take up waste land, and to develop the present latent resources of a talook, which the Resident is confident only requires capital and labour to render it as remunerative as any of the other talooks in Berar.

7. The proposals of the Deputy Commissioners as contained in their letter under reference in regard to equalizing the establishments of their respective districts is approved by the Resident.

8. As his Highness the Nizam is desirous of being furnished with a statement exhibiting the revenue talookwarree of all the old talooks of both Berars, with the Surfi-Khass and other estates received and about to be received over by us from the Native Government, the Resident begs that you will have the goodness to cause the preparation and submission of such a document with the least practicable delay.

9. Colonel Davidson begs that you will at the same time call for and furnish him with a similar statement of the revenue of the talooks now proposed to be made over to the Nizam in conformity with the arrangements herein approved.

I have, &c.

(signed) *H. Fraser,*

Officiating First Assistant Resident.

Hyderabad Residency,
6 April 1861.

STATEMENT showing the Transfers of District proposed to be made to make up the Revenue of *Berar* to 32 Lacs of Rupees.

	<i>Rs.</i>	<i>a.</i>	<i>p.</i>
Estimated Revenue of districts in Berar, which are required according to Treaty - - - - -	32,00,000	-	-
Revenues of West Berar as proposed by Deputy Commissioners with a view to equalize the Revenues of the two divisions - - - - -	<i>Rs.</i> 16,00,000	<i>a.</i> -	<i>p.</i> -
Revenues of East Berar as proposed by Deputy Commissioners with a view to equalize the Revenue of the two divisions - - - - -	14,62,172	15	-
	30,62,172	15	-
Deficit as shown by Deputy Commissioners - - - <i>Rs.</i>	137,827	1	-
In lieu of which it is proposed to take additional districts to the north of the Pyne Gunga River adjoining the Woon Talook - - -	137,827	1	-
Deduct districts proposed to be restored to H. H. the Nizam in the Talooks of Sind Khair, Bassim, and Korrinjah in lieu of the difference between the deficit shown by the Deputy Commissioner, and that exhibited in the Statement prepared in the Resident's Office - - - - -	52,862	5	-
Talooks required to make up the deficit according to Resident's Estimate - - - - -	84,964	12	-
TOTAL - - - <i>Rs.</i>	137,827	1	-

	Rs.	a.	p.
Districts between Talook Mekhur and Deolghant, viz., Amrapoor, Chicklee, Chandole, &c., which it is proposed to take from the Nizam, being inconveniently situated, and causing interruption to communication between the two Talooks referred to. Estimate revenue - - - - -	35,000	-	-
Districts proposed to be restored to H. H. the Nizam in lieu of the above Talooks, as per Enclosure No. 6 - - - - -	35,445	7	6

(signed) *Hastings Fraser,*
Officiating First Assistant Resident.

Resident's Civil Office,
Hyderabad Residency, 6 April 1861.

(Civil Department.—No. 56 of 1861.)

From Lieutenant Colonel *Cuthbert Davidson*, c.B., Resident at Hyderabad,
To *G. C. Barnes*, Esq., c.B., Officiating Secretary to the Government of
India, Foreign Department; dated Hyderabad, 9th April 1861.

Sir,

IN continuation of my letter to your address, No. 52 of the 5th instant, I have the honour to point out that it is believed a clerical error may exist in the latter part of para. 44, which, if such is the case, I beg may be corrected. The value of the districts proposed to be restored to his Highness the Nizam in the Talooks of Bassim, &c., should be Rs. 52,862 5. 0. as will be perceived on reference to figured statement No. 7, and not Rs. 53,862 5. 0. as it is feared may have erroneously been written, as the correct and incorrect amounts both appear in the copy retained in my office.

(Foreign Department.—No. 2313 of 1861.)

From *C. U. Aitchison*, Esq., Under Secretary to the Government of India,
To Lieutenant Colonel *C. Davidson*, c.B., Resident at Hyderabad; dated
Fort William, 8th May 1861.

Sir,

I AM directed by the Governor General in Council to reply to your letter, No. 52, dated 6th ultimo, in which you submit a report on the arrangements that have been made for the adjustment of territory under the late Treaty with his Highness the Nizam.

2. The first 29 paras. of your letter have been sent to the Financial Department for consideration. The only point in these paras. which appears to call for orders in this department, is that raised in para. 15. The value of the lands to be retained under the Treaty is 32 lakhs. But for the year 1860-61 there will be a deficiency of Rs. 3,89,938 3. 10.

	Rs.	a.	p.
Amount due under the Treaty - - - - -	32,00,000	-	-
Revenues of East and West Berar for the year - - - - -	Rs.	a.	p.
1860-61 - - - - -	24,65,488	6	5
Net amount realised from Raichore and Dharaseo balance of local funds - - - - -	3,44,573	5	9
	28,10,061	12	2
Deficit - - - - -	Rs.	3,89,938	3 10

The question is, shall this deficit, for the year 1860-61, be demanded of the Nizam? You think we may fairly demand it, unless the expression in the new Treaty dispensing with all accounts past, present, and future, means, that no question of account shall now be entered into.

3. His

3. His Excellency in Council observes, that if the accounts by which this deficit is calculated, were merely the estimated revenues of the districts we retain, there would apparently be no objection to demanding the balance from the Nizam. But as these accounts comprise the receipts and expenditure in Raichore and Dharaseo, up to date of transfer, the demand cannot be made without submitting accounts for Raichore and Dharaseo; and his Excellency in Council therefore directs that the amount be debited to the revenues of the districts we retain, as has been done with regard to the balance of debt against the Nizam for 1858-59.

4. Paras. 31 to 45 of your letter relate to the lands which are to be taken from the Nizam to make up the deficit between the revenues of East and West Berar, and the 32 lakhs stipulated for in Art. VI. of the Treaty, and to the question of certain exchanges to be effected with the Nizam, with a view to improve the boundaries of the assigned districts. Divested of its complications, your scheme appears to be the following:—

The Deputy Commissioners of East and West Berar calculate the revenues of their respective districts to be—

	<i>Rs.</i>	<i>a.</i>	<i>p.</i>
West Berar - - - - -	16,13,685	10	6
East Berar - - - - -	14,47,928	13	8
TOTAL - - - <i>Rs.</i>	30,61,614	8	2

They propose, after lands have been assigned to make up 32 lakhs, that the districts should be more equally divided, so as to yield, as nearly as may be, a revenue of 16 lakhs each. It is, therefore, proposed to transfer from West to East Berar villages worth *Rs.* 14,244 1. 4., which would reduce the present revenue of West Berar to *Rs.* 15,99,441 9. 2., and raise that of East Berar to *Rs.* 14,62,172 15. 0., or *Rs.* 1,37,827 1. 0. under 16 lakhs. To make up this deficiency, they propose to take from the Nizam lands to that value north of the Pyne Gunga.

5. Between the Mehkur Pergunnah of West Berar and Bouldana, there is an awkward strip of land held by the Nizam. Its value is 35,000 rupees. This it is also proposed by the Deputy Commissioners to take, giving in exchange lands to the south of East and West Berar worth *Rs.* 35,455 7. 6.

6. You approve generally of these proposals for exchange. But you observe that as regards the deficiency under the 32 lakhs, the calculations have not been properly made. The revenues of East Berar, as calculated by the Deputy Commissioner, include balances on account of previous years to the amount of *Rs.* 86,579 4. 2., which should be excluded, while the revenues of West Berar should include a sum of 1,40,000 rupees remitted in 1859-60 for reasons of a temporary kind. Your calculations are, therefore—

	<i>Rs.</i>	<i>a.</i>	<i>p.</i>	<i>Rs.</i>	<i>a.</i>	<i>p.</i>
Due under the Treaty - - - - -	-	-	-	32,00,000	-	-
Revenue of East Berar, as stated by Deputy Commissioner - - - - -	14,47,928	13	8			
Deduct balance of former years - - -	86,579	4	2			
	13,61,349	9	6			
 <i>Rs.</i> <i>a.</i> <i>p.</i>						
Revenue of West Berar, &c. - 16,13,685	16,13,685	10	6			
Add remissions - - - 1,40,000	1,40,000	-	-			
	17,53,685	10	6	31,15,035	4	-
 Deficiency - - - <i>Rs.</i>				84,964	12	-

You, therefore, propose "to re-transfer to the Nizam districts, of the value of *Rs.* 52,862 5. 0.," in the Talooks of Sindkhair, Bassim, and Korinja, in lieu of the difference between the deficit shown by the Deputy Commissioners and

by yourself, "with a view to the re-arrangement of the frontier, making a total amount of Rs. 1,37,827 1. 0. of an annual revenue to be received from the Hyderabad Government." You have made the above proposals to the minister, with a view to their submission to his Highness the Nizam.

7. The Governor General in Council is not sure that he has apprehended your exact meaning. It seems, however, to his Excellency in Council to be this: The Deputy Commissioners have proposed to take from the Nizam, lands on the north of the Pyne Gunga to the value of Rs. 1,37,827 1. 0., or Rs. 52,862 5. 0. in excess of the real deficit of the revenues of East and West Berar under 32 lakhs. You approve of this, but observe that it will be necessary to re-transfer to the Nizam lands yielding Rs. 52,862 5. 0. But his Excellency in Council cannot discover where these lands lie, which it is proposed to re-transfer to the Nizam. In Enclosure, No. 7, of your letter, you say, "in the Talooks of Sind Khair, Bassim, and Koringa." But from statements No. 6 and No. 7, it appears that the land in Sind Khair and Bassim is to be given in exchange for the strip, worth 35,000 rupees, between Mekhur and Booldana. If the "part of Koringa" (coloured purple in the map) "is the land to the value of Rs. 52,862 5. 0., which is to be re-transferred, his Excellency in Council finds it difficult to see how the boundary will be improved unless the map be faulty. Apparently, the boundary will be made worse than it is at present. His Excellency in Council does not see why you should have troubled yourself at all with the deficit of Rs. 1,37,827 1. 0., shown by the Deputy Commissioners. It is an erroneous calculation, and there seems no reason why you should have encumbered your present report with it.

8. The proper account seems to his Excellency in Council to be this:—

		Rs.	a.	p.
Deficit of Revenues of East and West Berar under 32 lakhs	-	84,964	12	-
Lands to be given, as per Statement No. 6, for adjustment of boundaries	-	Rs. 35,455	7	6
Lands to be received for adjustment of boundaries	-	35,000	-	-
Difference	-		455	7 6
TOTAL excess of lands to be given by Nizam over lands to be received by him	-	Rs. 85,020	3	6

His Excellency in Council thinks that lands to this extent north of the Pyne Gunga might be taken from the tract coloured yellow in the map.

(No. 2314, of 1861.)

ORDERED, that paragraphs 1 to 29 of the Resident's letter, and of paragraphs 1 and 3 of the above reply, be sent to the Financial Department for information and further orders.

(No. 1266.)

EXTRACT from the Proceedings of the Government of India, in the Financial Department, under date 4th February 1861.

READ again, the Financial Resolution, No. 1095, dated the 14th January 1859, on the subject of the irrecoverable balances of the North Berar division of the Hyderabad Assigned Districts and the preparation of the annual account of the revenues and charges of those districts.

Read, the Resolution recorded in the Foreign Department, with the Governor General, No. 2, dated the 1st ultimo, and the papers which accompanied it on the subject of the proposed modifications of the Commission, and the revision of the establishments of the Hyderabad Assigned Districts, in consequence of the restoration of Raichore Doab and Dharaseo to the Nizam.

Resolution.—

Resolution.—The Honourable the President in Council observes that on the 5th December last, his Excellency the Governor General requested the Resident at Hyderabad to report on the arrangements which it might be necessary to make in connection with the transfer of a portion of the assigned districts to the Nizam's Government, and for the administration of the Berar districts, with such additions as may be made to them when the Raichore Doab and Dharaseo districts shall have been transferred to the Nizam, and when Shorapore shall also have been made over to his Highness in accordance with the conditions agreed upon.

The Resident accordingly submitted the statements given below, showing the designations of the officers whom he proposed to retain for the administration of East and West Berar, and schedules of the office establishments which he proposed to retain for those officers, an abstract of which follows:—

	Salaries Proposed to be Retained at Present.	Prospective Salaries.	
	<i>Rs.</i>	<i>Rs.</i>	
Commission - - - -	2,000	2,000	} Exclusive of all Establish- ment. East and West Berar. - - ditto. - - ditto. East Berar. West Berar. - ditto. East Berar. - ditto. West Berar. - ditto. Residency Civil Officer. West Berar. - ditto. East Berar. - ditto.
Chief Engineer - - - -	800	800	
Second Assistant Resident - - - -	600	600	
Executive Engineer - - - -	750	750	
Assistant Engineer - - - -	250	250	
Superintendent of Police - - - -	700	500	
Deputy Commissioner - - - -	1,200	1,200	
Ditto - ditto - - - -	1,200	1,000	
Assistant Commissioner - - - -	700	700	
Ditto - ditto - - - -	600	600	
Ditto - ditto - - - -	600	600	
Ditto - ditto - - - -	600	500	
Ditto - ditto - - - -	500	500	
Extra Assistant Commissioner - - - -	400	400	
Ditto - - ditto - - - -	400	300	
Ditto - - ditto - - - -	300	250	
Ditto - - ditto - - - -	250	250	
Ditto - - ditto - - - -	250	250	
TOTAL per Mensem - - <i>Rs.</i>	12,100	11,450	
TOTAL per Annum - - <i>Rs.</i>	1,45,200	1,37,400	

ABSTRACT.

	Cost per Mensem.	Cost per Annum.
	<i>Rs. a. p.</i>	<i>Rs. a. p.</i>
Resident's Civil Office Establishment - - - -	1,389 - -	16,668 - -
Commissioners' Establishment - - - -	1,608 - -	19,296 - -
Engineers' Establishment in East and West Berar - - - -	284 - -	3,408 - -
West Berar Establishment of district officers - - - -	15,049 1 4	1,80,589 - -
East Berar " " - - - -	11,228 8 6	1,34,742 6 -
TOTAL Amount of Establishment for which sanction is solicited - - - - } <i>Rs.</i>	29,558 9 10	3,54,703 6 -

These establishments, it was said, are the same as those which have already received the sanction of Government, with the exception of one Assistant Commissioner's establishment which has been added for the management of the revenue of the Surfi-Khas estates in each of the districts of East and West Berar, and may suffice for the present, though some future modifications in respect to them may be found necessary, as the Berar districts with the Surfi-Khas estates will, it was expected, yield a larger revenue than before, and the restoration of some Talooks be probably necessary.

In submitting the above schedules, the Resident again solicited the consideration

ration of the Governor General to the question of entrusting him with the audit and adjustment of all charges, both civil and military, in connection with the assigned territories and the Hyderabad Contingent. It did not appear to him there were any insuperable objections to the plan, while the advantages and convenience of early audit and adjustment being thus effectually ensured are, he stated, too manifest to need recapitulation.

He also proposed to abolish the Enam Commissioner's office and establishments, as very few claims would remain on the file after the restoration of the Dharaseo and Raichore to his Highness the Nizam, and those cases might be disposed of by the Commissioner and his district officers.

The President in Council observes that his Excellency the Governor General has approved of the selection which has been made by the Resident of the officers whose services will be retained for the administration of East and West Berar, and of the salaries proposed for them both present and prospective, as also of the appointment of a Commissioner on 2,000 rupees a month; and has sanctioned the abolition of the Enam Commissioner's office and establishment, and that under his Excellency's direction the sanction of the Government of India is requested to the salaries above approved of, the remaining questions being referred to it for consideration and orders.

His Honor in Council is pleased to sanction the salaries and appointments approved by the Governor General.

In regard to the office establishments, his Honor in Council remarks that

	According to Civil Auditor's Book of Entries.	Proposed by the Resident.
	Rs. a. p.	Rs. a. p.
Resident's Civil Office Estab- lishments - - -	2,923 - -	1,389 - -
Commissioner's Office - -	2,527 - -	1,608 - -
Engineer's Establishment -	1,057 - -	284 - -
West Berar - - -	13,978 7 4	15,049 1 4
East Berar - - -	11,063 8 6	11,228 8 6
Enam Commissioner's Office and Establishments - -	2,088 - -	—
Raichore Doab - - -	10,451 15 1	—
Dharaseo - - -	8,590 10 8	—
TOTAL - - - Rs.	52,679 9 7	29,558 9 10

the Resident has not submitted a paper showing the financial result of the arrangements now reported. But the table given in the margin, prepared from the Civil Auditor's Book of Establishments for 1859 in the Financial Department, exhibits a saving effected of Rs. 23,120. 15. 9. per mensem, which may be relied on as a sufficiently correct result, and as the proposed establishments do not on the whole appear excessive, his Honor in Council is pleased to sanction them for one year, subject to report at the expiration of that period. His Honor in Council at the same time requests that the Resident will prepare and submit a tabular statement in the usual form, showing in detail the former and present establishments, so as clearly to exhibit the increases and decreases in each office caused by the revision in question.

His Honor in Council observes that the question of transferring to the Resident the business of auditing the accounts of the assigned territories, was once before submitted to this Government in 1859. It was then stated, in the Financial Resolution, No. 1075, dated the 14th January 1859, that this Government agreed with the Accountant General to the Government of India, in thinking it likely that the plan proposed by the Resident would be productive of much greater inconvenience and delay than the plan in force. In now making a second application, the Resident has not, as he ought to have done, shown that he possesses all the means of enforcing the rules of audit and account with sufficient exactness to obviate the multifarious references and counter references to Calcutta, without which the retrenchments, explanations, and correspondence which would inevitably follow, would cause far more labour and greater delay than the present system, and would thus defeat the object to attain which the change is proposed. This was pointed out to the Resident in the resolution above referred to, but as he has submitted no explanation on the point, and as the new system of audit and account is about to be introduced, his Honor in Council desires that the Resident may be informed that no change in the system of preparing the accounts can be sanctioned at present, but that the question will be reconsidered on the receipt of a report from the Budget and Audit Committee (to whom the question will be referred) as to the expediency of extending the number of local auditors to distant provinces, such as Pegu, Tenasserim, Hyderabad, &c.

From the Budget and Audit Committee to *C. H. Lushington, Esq.*, Secretary to the Government of India, Financial Department.

Sir,

Fort William, 22 February 1861.

WE have the honour to reply to your Despatch (No. 1269) of the 4th February, forwarding for our report the questions raised in a Resolution passed by the Supreme Government, in a reference by the Resident of Hyderabad, regarding the audit of the civil accounts of that jurisdiction : —

2. We understand the questions referred to us to be :—

1st. Whether the audit and adjustment of all charges, both civil and military, in connection with the assigned districts, and the charges of the Hyderabad Contingent, should be entrusted to the Resident.

2nd. Whether it is desirable to appoint additional local authorities to detached and distant provinces.

3. The first of these questions, which has indeed been broadly raised by the Resident, amounts, as we understand, to a request on the part of that officer that he should audit his own accounts. After the promulgation of the new system of audit and account in India, based on principles which have prevailed equally in India as in England, it will not be necessary for us to trouble the Supreme Government with detailed remarks, to show that such a proposition would not be admissible. We presume that it could never be contemplated to exempt the Resident of Hyderabad from conditions to which every Government, Local Government, and department throughout India is now subjected ; namely, the auditing of accounts by an agency, independent of the party responsible for those accounts. The Resident is responsible for the accounts of his jurisdiction, and by Imperial system those accounts must be audited by independent agency ; even if the audit be at Hyderabad, still it could not be conducted in subordination to the Resident.

4. This brings us to the second of the two questions, namely, the desirability of appointing additional local authorities for detached and distant provinces generally, and for Hyderabad in particular. Now, as a matter of principle, we have always been prepared to admit that of any detached province of sufficient size and importance, it may very possibly be desirable to appoint a special local auditor ; such appointment must, however, we apprehend, entirely depend on the circumstances of the province, and the amount of work to be done. It is to be remembered that each new appointment of this nature entails considerable expense on Government in salary and establishment, not less than a quarter of a lac per annum, or perhaps more. We are therefore anxious to save the necessity of such appointments. Again, the multiplication of auditors entails the chance of greater deviations from uniformity, and the distance of these officers from central authority indirectly lessens control.

5. Such being the general principle, we have not, under existing circumstances, perceived the necessity of appointing additional auditors for detached provinces. We thought that the accounts of the Eastern Settlements may be audited by the Bengal Deputy Auditor General, those of Oudh and Rajpootana by the North Western Provinces auditor, those of Nagpore and Baroda by the Bombay auditor, those of Hyderabad by the Madras auditor. We still entertain a hope that, with one exception, this plan may work sufficiently well for the present, and that thus extra expense may be avoided. The exception above indicated, is that of the Eastern Settlements in British Burma. When the provinces of Pegu, Arracan, and Tenasserim shall be amalgamated under one administration, we think it possible that the pre-audit of sanctioned charges may, in order to save delay, be conducted at Rangoon by an assistant under the Chief Commissioner on a salary of, say, 600 rupees per mensem ; but this pre-audit pertains to the Pay rather than to the Audit Department, and will not affect the ultimate audit and adjustment of charges. Even for Pegu, then, we do not propose that a separate Deputy Auditor General be appointed at present, though we think that the necessity for such an officer is more likely to arise there than anywhere else. We have only to submit that we shall be prepared to admit the necessity whenever it shall be shown to arise.

6. As regards Hyderabad in particular, however, we would submit that such necessity is less likely to arise there than in any other case. The purely civil charges are now limited, compared with the civil charges of other provinces. The accounts which once had to be rendered to his Highness the Nizam, will no longer be required, since the restoration of some of the assigned districts. It appears to us that the work to be done at Hyderabad could not possibly afford employment to one officer. The accounts of the Hyderabad Contingent are audited by the Military Auditor General of Bengal. The only change that could possibly be needed there, would be the transfer of that particular audit to the Madras Military Auditor General; but this point can be settled by the Military Finance Department. There can be no more difficulty respecting these accounts than the accounts of the Nagpore Military Force, or the Punjab Frontier Force, or Central India Levies, of all which the accounts are audited in the same manner. We have no doubt that whatever arrangements may be necessary for the speedy auditing of these accounts will be made by the Military Finance Commission; but we apprehend that in that department it would be found quite impossible to provide a separate audit establishment for each separate body of troops.

7. We are therefore precluded from recommending that any additional auditor be appointed for Hyderabad.

We have, &c.
(signed) *C. H. Lushington.*
E. Drummond.
R. Temple.

(No. 2000.)

Fort William—Financial Department, 28 February 1861.

His Excellency the Governor General in Council concurs in the views of the Budget and Audit Committee, as expressed in the above report, on the ground that the appointment of local auditors in district provinces will entail additional expense to the State.

By order of the Governor General in Council,
(signed) *C. H. Lushington,*
Secretary to the Government of India.

To the Foreign Department for information and for communication to the Resident at Hyderabad, in continuation of the Financial Resolution (No. 1266) of the 4th instant.

(Civil Department—No. 34 of 1861.)

From Lieutenant Colonel *Cuthbert Davidson*, c.B., Resident at Hyderabad, to the Secretary to the Government of India, Foreign Department; dated Hyderabad, 22nd February 1861.

Sir,

I HAVE the honour to enclose copies of the correspondence as per margin, which has passed between the Accountant General to the Government of India, and myself, in relation to the proposed financial arrangements connected with the Hyderabad assigned districts.

Letter from the Accountant General to the Government of India to the Resident at Hyderabad, No. 242, dated 9th February 1861.
Letter, No. 322/16, to Accountant General, in reply, dated 21st February 1861.

2. In my letter to your address (No. 180) of the 13th December 1860, I took the liberty of suggesting that much convenience and advantage would result from the adjustment of all charges, both civil and military, being entrusted to the Resident at Hyderabad.

3. In the present correspondence I have urged the adoption of this system upon the Accountant General with a view to ensure more prompt audit, as well as to relieve the officers at Calcutta from no small share of labour.

4. I would

4. I would solicit especial attention to the fact that so long as the district and departmental accounts are rendered direct to the offices of audit and account at Fort William, by no possibility can the Resident at Hyderabad reconcile the financial statements received from thence with those he receives from the district offices. They appear to be prepared on different systems, and not to be contemporaneous, while details are not, and scarcely can be, given with that minuteness which would enable me to determine the precise cause and extent of discrepancies, as these are often rather apparent than real.

5. I may observe also that the financial statements received from the Accountant General have several times required and received alteration, but I am to this day without the means of stating satisfactorily the exact amount derived from the different sources of revenue in the Hyderabad assigned districts and the exact amount of disbursements fairly chargeable against them.

6. A statement of discrepancies, which I have forwarded to the Accountant General, and which can be called for if required, will show the many points of difference which still require elucidation.

7. Until the financial questions under discussion with the Accountant General are decided, and the orders of Government have been passed upon the revised schedules of establishments for my office and that of the Commissioner, which, with the letter above quoted, I did myself the honour to submit for the consideration of his Excellency the Governor General of India, and which, on the score of economy, I have, pending the sanction of Government, directed to be introduced from the 1st instant, things are naturally liable to fall into confusion, and I would therefore beg to be favoured with the instructions of Government in regard to them at as early a date as may be found convenient.

(No. 242.)

The Accountant General to the Resident at Hyderabad.

Sir,

9 February 1861.

REFERRING to Article IV. of the new Treaty concluded with the Nizam in December last, in which it is stipulated that his Highness shall "forego all demand for an account of the receipt and expenditure of the assigned districts for the past, present, and future," I have the honour to inquire whether it will still be requisite to furnish you with his Highness's account with this Government for 1859-1860, which is alluded to in my letter to your address, No. 134, dated 8th October last. Future returns of the same description need not, I apprehend, be prepared, as the balances for or against the Nizam can best be determined at the close of each year's adjustments of the accounts of the assigned districts in the books of this office, but your opinion on this point is solicited.

2nd. I observe that Article III. of the new Treaty cancels the Nizam's old debt of about 50 lacs of Hyderabad rupees, which had accumulated up to May 1853, but makes no allusion whatever to the subsequent demands against his Highness, which, at the close of 1858-1859, amounted to nearly 3,20,000 rupees, as ascertained in this office. It may be necessary, therefore, to make a reference on the subject to Government, in case it is intended that the entire balance outstanding up, to the date of the Treaty, should, as on a previous occasion, be written off.

3rd. I take this opportunity to inquire whether arrangements have been made for the adjustment of the balances of the Raichore Doab and Dharaseo treasuries, which will remain outstanding in the accounts after the transfer of those two districts.

4th. In conclusion, I beg that in submitting the Hyderabad Budget Estimate for 1860-1861, and 1861-1862 (now over-due), due regard may be had to the increase or decrease of receipt or expenditure, which the terms of the Treaty may involve.

Civil Department.

The Resident at Hyderabad to the Accountant General.

Sir,

21 February 1861.

I HAVE the honour to acknowledge the receipt of your letter (No. 242), under date the 9th February 1861, calling for my opinion upon the system to be pursued for the future in regard to the adjustment of the accounts of the Hyderabad assigned districts.

2nd. Although it is stipulated in the new Treaty that his Highness the Nizam shall "forego all demand for an account of the receipt and expenditure of the assigned districts for the past, present, and future," yet, as any surplus revenue that may hereafter accrue is to be paid to the Nizam, it will be necessary that the Resident at Hyderabad should have the means of ascertaining the exact financial position of those districts.

3rd. It is observed by you that the balances for or against the Nizam can best be determined at the close of each year's adjustments of the accounts of the assigned districts on the books of your office. I would beg to remark that experience has fully demonstrated the serious inconveniences of this system; while the Resident is responsible both to the British and the native Governments for the efficient and economic administration of the assigned districts, he is precluded, under existing circumstances, not only from guarding against extravagant expenditure, but even from acquainting himself with the amount of expenditure that has been incurred, until the accounts have been received from Calcutta.

4th. The distance between the district officers and the department of audit and account necessarily causes, as we must perceive has throughout been the case, great delay in the adjustment of these accounts. It has been objected that one cause of the delay has been in my having returned the accounts to Calcutta for explanation, or revision. I do not dispute this, but I trust that it will be perceived that they have not been unnecessarily returned, and that it was not possible for me to submit accounts to the Nizam, which I did not understand, and on which large corrections were obviously requisite, and were eventually made.

5th. I beg to be understood as not having the most remote intention of imputing any avoidable delay, or anything in the shape of remissness, to your department; but I regard it as an inevitable consequence of the distance between Calcutta and these districts, when it must frequently happen, as it frequently has happened, that references backward and forward are so repeatedly requisite that the accounts cannot be furnished with the desired punctuality.

6th. It has also been decided by the Finance Commissioners that the audit offices at Calcutta are already over-worked, and I would, for many reasons, strongly recommend that the audit of all charges connected with the Hyderabad assigned districts should be entrusted to the Resident at that Court.

7th. The Finance Commissioners have expressed this opinion, that "the powers of the Resident at Hyderabad, the Commissioner at Nagpore, and the officer commanding the Irregular Forces, as regards sanctioning expenditure being clearly defined, and the pay and allowances being fixed by the Government of India, the allotment of stores being also laid down, the duty of officers connected with the control and examination of money charges, or of expenditure of stores, would be quite easily performed."

8th. I have already in a letter (No. 180) of the 13th December last to the Secretary to the Government of India in the Foreign Department, urged that all charges, civil and military, in connection with the assigned territories should be left to the Resident; and I trust you will concur with me in the opinion that while your department would thus be relieved from considerable labour, prompt audit would be ensured, all charges would be immediately brought under the notice of the Resident, and he would then have it in his power effectually to control expenditure, instead of remaining in ignorance with regard to it, until information reaches him from a distant source, and what is done is irretrievable.

9th. There would be little difficulty in the accounts being so arranged "as to allow of transactions being recorded as they occur;" and while it is admitted that there is no great peculiarity in the nature of the duty of audit and account, I would beg to point out that the delay attending a reference to Calcutta on every little point upon which any obscurity may rest, has been productive of much embarrassment and delay.

10th. I beg, in illustration, to append copy of a letter from the Deputy Commissioner, Raichore Doab (No. 378), of the 29th December 1860, in which he confesses himself wholly incapable of reconciling your accounts with those of his own office, although he supposes the discrepancies are rather apparent than real, or that the accounts are not contemporaneous.

11th. I also submit a statement prepared in my office exhibiting discrepancies which have been found to exist between the accounts of your office and those of the district officers, and which I am unable to reconcile; and when you call to mind the multitudinous references that it has been requisite to make before these accounts could be closed, you will, I have no doubt, agree with me that a change of system is indispensably necessary.

12th. One chief source of the difficulties that have been experienced in adjusting these accounts is, it appears to me, that we have throughout dealt with the revenue of the assigned districts as if it had been Imperial revenue, which it clearly is not. The districts were assigned by the Nizam for certain specific purposes, and whenever we realise more income than we find sufficient for those purposes, we are bound to make over the surplus

surplus to the native Government. Had we not incorporated these accounts with those of the general Government, much inconvenience and delay in their adjustment would have been avoided.

13th. I may here also mention that the incorporation of the revenues of the assigned districts with Imperial revenue on the financial statements that have been published in public prints as emanating from the authority of the Government of India has given umbrage to the Hyderabad Government, as I have been questioned by the Minister as to the reason why the revenue of the assigned territory should be included in the Imperial revenue.

14th. I would therefore earnestly recommend that the audit of these accounts be left to the Resident, who would furnish monthly accounts and vouchers to your office in the same manner as the civil treasury accounts are now submitted.

15th. In reply to the 3rd paragraph of your letter under acknowledgment, I beg to inform you that orders have been issued to make up all accounts in the Raichore Doab and Dharaseo Treasuries to 1st March 1861. Financial statements will be furnished as soon as practicable. The accountants have been directed to come with their accounts to Hyderabad, and all cash balances have been ordered to be paid into the treasuries of Shalapoore and Dharwar, and the military cash chest at Lingsoogoor.

16th. In preparing the Budget Estimates for 1860-1861 and 1861-1862, due regard has been had to the increase or decrease of receipt or expenditure which the terms of the new Treaty may involve; but I regret that, in the present transition state of the assigned territories, it has been found impossible to furnish estimates with the desired degree of accuracy.

17th. It has not escaped my recollection that on a previous occasion it was pointed out that it was open to me to call for such duplicate returns, or financial statements, from the district officers that I might consider necessary to a thorough exposition of the financial position of the assigned districts; but these, it is evident, would not enable me to reconcile them with the accounts preferred in your office, when, as Mr. Bullock has remarked, there is a difference between the two systems of accounts. The district officers also have too frequently complained of the inadequacy of their establishments, and any considerable increase in their official duties would, I have little doubt, have been immediately followed by applications for an increase of their office establishments.

18th. With regard to the balance of Rs. 3,25,198. 9. 10½. appearing in your accounts against the Nizam at the end of 1858-1859, it is not quite clear to me how we can demand it from his Highness unless we render accounts, and that is specially provided against by the Supplemental Treaty. From the accompanying statement it will be perceived that this balance does not correspond with the balance elicited by me from the district officer's accounts; and I, of course, cannot consequently be expected to feel satisfied of the accuracy of the results shown in the Calcutta accounts.

19th. But there will be a still larger balance against the Nizam, owing to the districts being just now re-transferred in the midst of a Fuslee year, and an immediate decrease of revenue ensuing, which will not be accompanied by a simultaneous amount of reduction of expenditure on establishments. My own idea is, and the following may perhaps be the intention of the Government, that we should forego all claim for balances due to us, and commence the ensuing Fuslee year with a clear balance-sheet or entirely fresh account, otherwise I presume our only alternative will be to charge such balances against the revenues of the district, the management of which it is agreed that we retain.

(Financial—No. 378 of 1860.)

From *T. H. Bullock*, Esq., Deputy Commissioner, Raichore Doab, to Captain *H. Fraser*,
Officiating Assistant Resident, Hyderabad.

Sir,

29 December 1860.

I HAVE the honour to acknowledge the receipt of your Circular Letter (No. 11) of the 24th November 1860.

2. I have endeavoured to reconcile the discrepancies between the Accountant General's statement of the district officers, but the difficulty is, that the Accountant General does not seem to have included his items under the same head as we have; that is to say, that he has embodied his totals under fewer heads, particularly the contingent charges, and yet there is not sufficient detail for us to discover what he has included in each heading. For instance, in 1858-1859, he has got ordinary contingencies Rs. 5,318. 7. 3. No such item was in the district accounts, nor can we, by adding several together, make up such a total. Again, in 1856-1857 he makes out our disbursements in village expenses Rs. 11,896. 10., whereas by adding every description of village expense in the district statement, viz., lighting, chowries, stationery, &c., both adjusted and unadjusted, the total comes to Rs. 9,895. 15. 6.; therefore it would be seen that the Accountant General's

accounts are not contemporaneous with ours, and to effect reconciliation it would be necessary to go through every year's receipts and disbursements, and compare them with each other in detail.

3. I would beg to suggest that the statements of receipts and disbursements from 1853-1854 to the present year, should be forwarded to the Accountant General for comparison.

4. It appears to me that the discrepancies can only be apparent and not real, and that they would disappear in comparison of accounts, because the accounts of this district have been passed as correct by the Accountant General himself.

5. As I believe all the English records of the office are to be sent to the Residency, it might perhaps be advisable that the head accountant, Mahomet Fazil, who has always had charge of the accounts of the Raichore Doab, should accompany them, when he would be able by the original vouchers, contingent bills, &c., to verify all the accounts of this district year by year.

(No. 4048.)

OFFICE MEMORANDUM.

Fort William, Financial Department,
27 March 1861.

IN respect to the several questions mooted in the foregoing correspondence, the Governor General in Council observes that the question relating to the audit and adjustment of the accounts of the assigned districts has already been determined,* it being considered that it is inexpedient, on the score of expense, that such audit and adjustment should be conducted at Hyderabad.

* Financial Resolution, No. 2000, dated 28th ultimo.

With respect to the continued necessity of furnishing an annual account of receipts and disbursements, his Excellency in Council agrees with the Accountant General to the Government of India in thinking there is no such necessity, as the balances for or against his Highness the Nizam can best be determined at the close of each year's adjustment in the books of this office.

On the question as to the mode of dealing with the revenues of the assigned districts, his Excellency in Council desires that it may be pointed out to the Resident that he labours under a mistake in supposing that those revenues have been hitherto dealt with as Imperial revenue. The accounts of the revenues and charges of the assigned districts, though included in the accounts of the general government, are shown under the distinct head of "Debt," not under the head "Revenues and Charges."

The question as to the adjustment of a balance standing against his Highness at the close of 1858 and 1859, amounting to nearly 320,000 rupees should, his Excellency in Council thinks, be decided in the Foreign Department.

By order of his Excellency the Governor General in Council.

(signed) *C. H. Lushington*,
Secretary to the Government of India.

(No. 1474.)

EXTRACT from the Proceedings of the Government of India in the Foreign Department; under date the 30th March 1861.

READ a letter and its enclosures, from the Military Finance Department (No. 185 A.), dated 22nd instant, suggestive of a change in the system of auditing the accounts of the Hyderabad and Nagpore forces, and recommending a local audit.

Ordered, that the above letter and its enclosures be sent in original to the Financial Department for consideration and orders, with reference to the Resolution of Government in that department (No. 2000), dated 28th ultimo, with a request that the papers be returned when no longer required.

(Foreign Department.—No. 2201.)

From *C. U. Aitchison*, Under Secretary to the Government of India, to Lieutenant Colonel *Cuthbert Davidson*, C.B., Resident at Hyderabad; dated Fort William, 2nd May 1861.

Sir,

WITH reference to your letter dated 22nd February last (No. 34), with its enclosure, regarding proposed financial arrangements connected with the Hyderabad Assigned Districts, I am directed to inform you that the Governor General in Council has resolved that the balance standing against his Highness the Nizam at the close of 1858-59, amounting to nearly 3,20,000 rupees, shall be charged to the revenues of the districts retained.

2. A further communication will be made to you hereafter on the other points mooted in your letter under acknowledgment.

(No. 2202.)

Ordered, that with reference to Memorandum from Financial Department (No. 4048), dated 27th March, and also to extracts to Financial Department (No. 1474), dated 30th March, a copy of the above be sent to the Financial Department, for information and further orders.

(No. 5101.)

EXTRACT from the Proceedings of the Government of India in the Financial Department; under date 22nd April 1861.

READ again the undermentioned papers on the subject of transferring the audit and adjustment of the Hyderabad accounts from Calcutta to Hyderabad:—

Financial Resolution No. 1266; dated 4th February last.

Ditto - - - No. 2000; dated 28th idem.

Ditto - - - No. 4048; dated the 27th ultimo.

Read an extract from the Foreign Department (No. 1474), dated the 30th ultimo, forwarding, for consideration and orders, a letter and its enclosures from the Military Finance Department, submitting certain proposals for the audit and adjustment of the accounts of the Hyderabad Contingent and Nagpore forces.

Resolution.—In a report (No. 13), under date the 22nd February last, the Budget and Audit Committee, with reference to a proposal by the Resident of Hyderabad for the transfer of the audit and adjustment of the civil accounts from Calcutta to Hyderabad, were of opinion that as a matter of principle it may be desirable to appoint, for any detached province of sufficient size and importance, a special local auditor, such appointment being, however, entirely dependent on the circumstances of the province and the amount of work to be done. But as these appointments would entail additional expense to the State, and their distance from central authority would indirectly lessen control, they felt precluded, under existing circumstances, from recommending such appointments for sanction generally, and especially for Hyderabad, where the purely civil charges are more limited, compared with the civil charges of other provinces.

This Government concurred in the views of the Committee, on the ground that the appointment of local auditors would entail additional expense.

The question has now again come forward for consideration in connection with the letter of the Military Finance Department, to the address of the Secretary to the Government in the Foreign Department, No. 185A., dated 22nd ultimo, with which they forwarded, for the information of the Foreign Department,

30th July 1860, No. 2010.
18th March 1861,
No. 183 A.

ment, copies of the letters noted in the margin, addressed by them to the Military Department, suggestive of a change in the system of auditing the accounts of the Hyderabad and Nagpore forces, regular and irregular.

In the first of these letters the Military Finance Department pointed out certain difficulties and anomalies in the existing practice, and suggested, first, that the contingent charges of the forces now sent to the Commissariat Auditor, Calcutta, should be sent to the auditor of Commissariat accounts at Madras, who, having the Commissariat disbursements before him for the Madras troops at Secunderabad and Kamptee, has better means than the Calcutta auditor of checking the rates charged for Commissariat supplies for the contingent and Nagpore irregular force. Secondly, that the bills now sent to the auditor of commissariat accounts, Calcutta, for ordnance supplies to the contingent and irregular force, should be brought under the control and check of the Inspector General of Ordnance at Madras. Thirdly, that the journalised system in use in Madras, for the accounts of the Pay, Commissariat, and Ordnance Departments, would admit of the charges for the forces being entered therein, without keeping up, as at present, two sets of accounts, and observed that the powers of the President at Hyderabad, the Commissioner at Nagpore, and the officer commanding the irregular force, as regards sanctioning expenditure, being clearly defined, and the pay and allowances being fixed by the Government of India, the allotments of stores being also laid down, the duty of officers connected with the control and examination of money charges or of expenditure of stores would be quite easily performed.

In their second letter to the Military Department, the Military Finance Department adverted to the difficulties that had presented themselves to the different officers who had been consulted on the above-mentioned questions, and the disinclination expressed by the Madras Government themselves to the transfer of the accounts of the contingent to the Madras authorities; and they then went on to consider a measure recommended by the Resident of Hyderabad, viz., that the accounts of the contingent be subjected to a local audit, a measure which the Military Finance Department consider to be decidedly the best of the measures before the Government.

According to the plan of the Resident, this local audit would be conducted by the Military Secretary at Hyderabad, under the orders of the Resident; and as the duties of the military secretary appear to be such as to leave him ample time for auditing the accounts of the contingent; and as moreover, the Resident states that this officer is available for this special duty, and is prepared to undertake the transmission of the audited accounts to Calcutta with promptitude and regularity, the Military Finance Department advise that the appointment of military secretary to the Resident be abolished as such, and that the designation of the office, in substitution, be changed to that of Controller of Military Finance at Hyderabad, adding that they shall then propose the transfer to him of several important duties, and that they hope that by changes in the offices of the paymasters at Secunderabad and Nagpore, they shall have it in their power to provide efficiently for the office establishment of controller.

With advertence, however, to the recent treaty concluded between the British Government and his Highness the Nizam, under Article IV. of which the Nizam has agreed to forego all demand for accounts of the Assigned Districts, either for the past or for the future, and the British Government are left at full liberty to appropriate the revenues and arrange the expenses of administration at their entire discretion, being only required to pay over to the Nizam any surplus that may remain over the cost of such discretionary administration, without any necessity for accounts being shown to his Highness, the Military Finance Department subsequently recommended the appointment of a local controller of military finance for Hyderabad and Nagpore, a local examiner and two deputy paymasters, one at Secunderabad and the other at Nagpore, observing that for the duty of controller the Resident's military secretary was available, but that a separate officer would have to be appointed for the duties of examiner, and that arrangements would have to be made for converting the paymasters at Secunderabad and Nagpore into deputypay masters. "The deputy paymasters," the Military Finance Department observe, "will estimate for and pay both the regular and local forces, granting cheques for the purpose on the

the civil treasuries. They will transmit their accounts to the examiner, by whom the accounts thus rendered will be audited and classified, and when approved by the controller, will be forwarded to the officers of account, viz., that appertaining to the Madras troops, to the Military Accountant, Madras, through the Madras Controller, and that appertaining to the contingent and irregular troops, to the Military Accountant, Calcutta, through the Controller at Calcutta, the accounts so transmitted being incorporated with the Bengal and Madras general accounts respectively."

"In the same way the commissariat and ordnance charges will be estimated for and disbursed by the existing departments, and on examination and approval by the local examiner and controller, will be transmitted for the purposes of incorporation to the military accountants, through the controllers of Madras and Bengal respectively, viz., the charges appertaining to the regular troops to the accountant to Madras, and those appertaining to the contingent and irregular force, to the accountant at Calcutta."

The Governor General in Council is of opinion that the last recommendation of the Military Finance Department may, with advantage, be adopted, and his Excellency in Council sees no difficulty in entrusting the Controller of Military Finance at Hyderabad with the disposal of the accounts of the Nagpore forces in addition to those of the forces at Hyderabad, the total expenditure on account of both forces being 103,32,000 rupees per annum, as shown in the following Table :—

	European.	Natives.	Total.
Hyderabad Force, Subsidiary - - - -	3,454	5,145	8,599
Nizam's Contingent - - - -	87	9,519	9,606
Nagpore Regular Force - - - -	1,052	4,401	5,453
Nagpore Irregular Force - - - -	* 40	* 3,731	3,771
TOTAL - - -	4,633	22,796	27,429

* These are to be shortly reduced to—

Europeans - - - - -	20
Natives - - - - -	1,699

Cost of the above.—At 1,000 rupees for each European, and 250 rupees for each Native per annum, the aggregate cost will be as follows :—

	Rs.
Europeans - - - - -	46,33,000
Natives - - - - -	56,99,000
TOTAL - - - Rs.	103,32,000

It also appears to his Excellency in Council that the supervision of the accounts of the Civil Department at Hyderabad might without objection be committed to the controller in addition to his military duties, and that an uncovenanted officer of the Account Department might be appointed to that post under the designation of Controller of Military Finance and Deputy Auditor General at Hyderabad, and subordinate to the Military Finance Departments in matters of military, and to the Auditor General for India in respect of civil finance.

Before carrying out these arrangements, however, his Excellency in Council desires to be informed whether there are any objections in the Military Department :—

1st. To the appointment of a Local Controller of Military Finance for Hyderabad and Nagpore.

2nd. To entrusting the supervision of the Civil Accounts to the Controller of Military Finance, and

3rd. To the appointment to that post of an uncovenanted officer of the Account Department.

His Excellency in Council also desires to be informed whether there are any objections in the Foreign Department to the abolition of the office of Military Secretary to the Resident at Hyderabad.

(Political.—No. 8.)

Sir Charles Wood to the Governor General of India in Council; dated
31st January 1862.

1. I HAVE duly considered in Council the letter of your Excellency's Government (No. 87) of the present year, dated the 22nd of June, respecting the details of the arrangements for carrying into effect the Treaty of 1860 with the Government of his Highness the Nizam.

2. I observe that Colonel Davidson proposed to you to compensate, from the local funds of the two districts, Dharaseo and Raichore, which have been restored to the Nizam, those officers of your Government who had built houses or acquired house property in those districts. You properly pointed out to Colonel Davidson that these funds were not Government money, in the ordinary sense of the term, as belonging to the Imperial revenues. They were levied for a special purpose, and the faith of the British Government may be said to be involved in their due application to that object. This being so, I approve your orders that the amount should be made over to the Nizam's Government, on the understanding that it should be applied to the purposes of local advantage, for which it was levied.

3. Considering the circumstances in which these districts revert to the Nizam, I sanction the grant made by you of compensation (to an extent varying according to the loss they may have sustained) to public officers who have erected or acquired property in Dharaseo and Raichore. It does not appear from the papers whether anything had been done to obtain payment from the Nizam's Government for these houses at a fair valuation.

4. I now proceed to the second subject (noted in the margin) to which you have directed my attention in the letter under reply. The value of the lands to be retained by us under the new Treaty with his Highness the Nizam is 32 lacs of rupees. It is, however, calculated that, with the addition of the Surf-i-Khas, the Berar districts, which are to remain in our possession, will in future years yield a revenue short of this sum by 84,964 rupees. For the past year, 1860-61, there was a still larger deficiency, amounting, as shown in the

Adjustment of territory under the new Treaty with his Highness the Nizam.

	Rs.	a.	p.	Rs.	a.	p.
Amount due under Treaty -	-	-	-	32,00,000	-	-
Revenue of East and West Berar for 1860-61 -	24,65,488	6	5			
Amount realized from Raichore and Dharaseo. Balance of local funds -	3,44,573	5	9			
				28,10,061	12	2
Deficit - - -	Rs.			3,89,938	10	-

marginal statement extracted from your Secretary's letter of the 8th May 1861, to 3,89,938 rupees. This large deficit for 1860-61 appears to be, in a considerable measure at least, attributable to the fact that payments not actually due in the Surf-i-Khas, under transfer to us, were forestalled by the Nizam's officers, whilst similar payments in Raichore and Dharaseo, under transfer to his Highness, were left uncollected by our officers. In these circumstances, you were of opinion that "if the accounts by which this deficit was calculated were merely the *estimated* revenues of the districts we retain, there would apparently have been no objection to demanding the balance from the Nizam; but as these accounts comprise the receipts and *expenditure* in Raichore and Dharaseo up to the date of transfer, the demand could not have been made without submitting accounts for Raichore and Dharaseo;" and you considered it preferable to forego the amount altogether. In this opinion I concur; but I cannot but think that if Colonel Davidson had been more careful in arranging with the Nizam's Government the details connected with the transfer of territory, a portion at least of this loss might have been avoided.

5. When the proposed exchange of territory, with a view to the adjustment of boundaries, shall have been carried out, the lands then in our possession will yield a revenue less than the stipulated sum of 32 lacs by Rs. 85,420. 3. 6. To make up this deficiency, in accordance with the 6th Article of the Treaty, you propose that territory of this annual value should be taken north of the Pyne-Gunga river. I approve this arrangement; but the suggestions of Colonel Davidson, both for this object and for the improvement of the boundaries of the Assigned Districts, are reported by that officer in a manner so complicated as to render them difficult of comprehension.

6. I must

6. I must again call your Excellency's attention to the importance of attaching to the papers sent to me copies of any maps to which they may refer. It is impossible for me, in the present instance, to understand the precise position of lands, which are described as marked a certain colour in a map which has not been forwarded.

7. The third subject mentioned in your letter under reply, comprises several matters relative to the audit and adjustment of the accounts of the Assigned Districts and the Hyderabad Contingent. Before noticing the arrangements which you propose to carry out, I await the reports from the Resident at Hyderabad, and the Military Department, to whom you have referred certain questions connected with the details of the proposed changes.

EAST INDIA (DECCAN).

COPY of all TREATIES and ENGAGEMENTS subsisting between His Highness the Nizam of the *Deccan* and the British Government, and of all CORRESPONDENCE between the two Governments relative to the DISTRICTS assigned by His Highness for the Maintenance of "THE HYDERABAD CONTINGENT," together with an ACCOUNT of the INCOME and EXPENDITURE of the above DISTRICTS, and of the COST of the CONTINGENT.

(*Sir FitzRoy Kelly.*)

Ordered, by The House of Commons, to be Printed,
31 May 1867.

[*Price 10 d.*]

338.

Under 8 oz.

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EDUCATIONAL SERVICE (BOMBAY).

RETURN to an Address of the Honourable The House of Commons,
dated 12 July 1867 ;—for,

“ COPY of CORRESPONDENCE between the Director of Public Instruction at *Bombay* and the Secretary to Government at *Bombay*, with respect to the Constitution of a Small COVENANTED EDUCATIONAL SERVICE in that Presidency.”

India Office, }
19 July 1867. }

H. L. ANDERSON,
Secretary Public Department.

(No. 2, of 1867.—Educational Department.)

To Her Majesty's Principal Secretary of State for India, London.

My Lord,

WE have the honour to transmit copies of a letter* from Sir A. Grant, Bart., and of the previous papers referred to therein, relative to placing the higher appointments of the educational service in this Presidency on a new and better footing.

Letter, No. 1552, dated 22nd October 1866, from the Director of Public Instruction.

Letter, No. 681, dated 11th December 1866, to the Director of Public Instruction.

* Letter, No. 1975, dated 7th January 1867, from the Director of Public Instruction.

2. It will be seen that to this end Sir A. Grant suggests that the higher appointments should be made to constitute a separate covenanted service, with its own rules and conditions, upon the analogy of the ecclesiastical establishment in this country.

3. We beg to express our concurrence in the general scope of Sir A. Grant's proposals, and would recommend them for the sanction of Her Majesty's Government.

4. We have submitted copies of Sir A. Grant's letter, and of the papers alluded to therein, for the consideration of the Government of India.

We have, &c.
(signed) *H. B. E. Frere.*
B. H. Ellis.
C. J. Erskine.

Bombay Castle,
28 February 1867.

(No. 1552, of 1866-67.—Educational Department.)

From Sir *A. Grant*, Bart., Director of Public Instruction, to *C. Gonne*, Esq.,
Secretary to Government, Bombay.

Sir,

I BEG humbly to advert to the 36th paragraph of my Annual Report of the Department of Public Instruction in the Bombay Presidency for the year 1865-66,
462. A copy

copy of which is given* for ready reference, and respectfully to submit more detailed observations on the present standing of the educational service in this Presidency for the consideration of Government.

2. There is no doubt that dissatisfaction with their present position is felt by several of the superior officers of this department. A meeting was recently held on the subject in Poona, and it was proposed to submit a memorial to Government with reference to the Despatch of Her Majesty's Secretary of State, dated the 23rd December 1865, the terms of which were felt to disappoint expectations not unreasonably formed on the Despatch, No. 205, of the 8th December 1862. Before, however, giving my sanction to a memorial of the kind, I have thought it best to address Government on the subject, as the question is much more one of the general future of this department, than of the feelings of present individual officers, and, as considerations of policy, could hardly be entered upon by even a small body of memorialists.

3. The chief grounds for dissatisfaction at present felt by the higher educational officers of this Presidency appear to be as follows :

(a.) That of the late covenant, which used formerly to be made with persons appointed by Her Majesty's Secretary of State to educational posts, has now been withdrawn. For this covenant, a letter, conferring the appointment, has been substituted, in which the Government reserves to itself the right of dispensing, at six months' notice, with the services of the person appointed. It is obvious that this gives, in a very marked way, a precarious appearance to the position of educational officers.

(b.) That no pension whatever is secured to officers in the educational service. It is laid down, as a general rule, for the educational, in common with the rest of the uncovenanted service, that all pension, is to be considered given as a favour, and not as the satisfaction of a claim. This, again, is felt to be a precarious condition.

(c.) That the only modes by which pension can be obtained by an educational officer are either that he shall complete 27 years' actual service in India, or else that he shall produce, at the end of 12 or 22 years' actual service, a certificate of utter incapacity for further service in the country. These are, of course, extremely discouraging conditions to a young Englishman who might think of entering the educational service in this country. He naturally does not wish to give up all his prospects in Europe, without the hope of some little provision in the shape of a retiring pension, nor does he wish to bind himself to serve either for 27 years in India, or till his health is utterly broken.

(d.) That, in respect of pension rules, the educational officers are in a much

* On the other hand, it is equally clear that this department will degenerate unless its higher appointments continue to be held by Europeans characterised by cultivation and learning. I would humbly call the attention of Government to the directory of this department, which is now annually prepared with great care, and which naturally suggests a division of the higher educational appointments from the main body of the service. It is, I think, a question of great importance, well worthy the consideration of Government, whether these few appointments (altogether less than 30 in number) might not be either amalgamated with, or else placed on an analogous footing with the Covenanted Civil Service. There is only one point on which, as Director of Public Instruction, I should be inclined to feel uneasy about the future of the department, and that is the uncertainty which must attach, under the present system, to appointments of educational officers made by the Secretary of State. No general discussion on Indian affairs takes place in the British Parliament without some reference to the importance of the educational operations carried on by Government in this country, and yet no steps whatever have been taken to secure for the Departments of Public Instruction, as for the Covenanted Civil Service, a supply of officers fitly qualified. The number of Englishmen required for this service is very small. Any person of superior qualifications, who may be sent out, has an almost boundless field of usefulness opened to him, and any incompetent person, on the other hand, is a dead weight and a drag upon the progress of the country. And yet, partly owing to the unattractive conditions offered, and partly owing to the want of any method in the selection of candidates for the Educational Service, we have no guarantee that a proper standard of men for principals of colleges, and professors, and educational inspectors, and high schoolmasters will be kept up, and this must be a source of uneasiness to one to whom the department is a care.

much worse position than Her Majesty's chaplains in India. A chaplain, if his health renders his retirement necessary, can obtain a small pension after seven years' service, and a pension of greater amount after 10 years; and after 20 years' service, inclusive of three years' leave (that is, after 17 years' actual service) chaplains can retire on their full pension, without medical certificate. It is thought hard by superior educational officers, who are generally, and who ought always to be persons of a higher university standing than the majority of Her Majesty's chaplains, and whose duties are certainly more onerous and trying than those of chaplains, that they should be so much worse off than the ecclesiastical service.

4. It is, I think, impossible to deny that from the nature of the conditions above stated, the educational service in this Presidency is a very poor, precarious, and, in fact, miserable sphere, into which one can hardly dare to advise any young man of ability and cultivation to enter. At the same time I can perfectly understand that what has led to the present position of the service, is, its undefined character in point of numbers. The educational service sprung up, as it were, fortuitously. It was gradually and silently extended, and when Her Majesty's Secretary of State came (in his Dispatch of the 23rd December last) to deal with the question of the pension rules for the entire service, I have little doubt that he would be rendered cautious by the indefinite numbers of appointments for which it might appear that he had to make regulations. In one point of that very Despatch of the 23rd December, the Secretary of State is, I humbly think, unnecessarily liberal for want of definition, for the Despatch appears to extend the benefits of early pension to all "head masters of schools," which, if it be not further defined, would include all head masters of high, middle class, and primary schools indiscriminately, a body amounting in this Presidency alone to not less than 1,324 persons, almost all of whom might well be left to abide by the ordinary Uncovenanted Service Rules.

5. I would now beg humbly to point out to Government that if the educational service in its present organisation be examined, it will no longer be found to consist of an indefinite number of homogeneous appointments, suggesting the idea of a formidable number of claimants for advantages of pension and the like. Our Departmental Directory suggests a most natural division of the service into two branches, one of which must be entirely filled by university graduates from Europe, except in the rare case where a native scholar of exceptional merits may be thought worthy to hold one of the appointments. The other branch would be of wide extent, commencing with appointments analogous in pay and position to those of deputy collectors, and going down to small schoolmasterships of 11 rupees per mensem. I may mention at once that were such a division made the upper branch of the Bombay Educational Service would consist at present of less than 30, and the lower branch of more than 2,000 appointments.

6. Our Departmental Directory, copy of which is herewith sent for reference, was not framed with a view of making the division now advocated. But as soon as the names of officers and their salaries and qualifications had been set down in order, the principle of a division in the department at once suggested itself. It will be seen that the directory does not contain appointments below 30 rupees per mensem; and that all appointments above 300 rupees per mensem have been entered as superior appointments. Several of these superior appointments are held by officers of the medical or military department, whose pension rules, and other conditions of service are elsewhere provided for.

7. I will now respectfully indicate the principle on which I would suggest that an upper (or covenanted) educational service in the Bombay Presidency should be formed. The principle is this, that there are certain educational appointments of great importance, which, if they are properly filled, will ensure the efficient working of the whole of this large department, and that the number of these appointments is so small that Government may well afford, without risk of any large expenditure of the public funds, to place them on a solid and attractive footing.

8. These important appointments I would specify as follows: 1st, Head-masterships of first grade High Schools; 2nd, Educational Inspectorships; 3rd, Professorships of different branches of Literature and Science; 4th, Principalships

4 CORRESPONDENCE RELATIVE TO THE CONSTITUTION OF

cipalships of Government Colleges ; and 5th, the office of Director of Public Instruction.

9. At present the exact numerical list of officers coming under the above heads stands as follows :

(1st.) Head Masters of first grade High Schools (viz., Elphinstone, Poona, Ahmedabad, and Belgaum High Schools)	-	-	-	-	-	-	-	-	-	4
(2nd.) Educational Inspectors (Northern, Central and Southern Divisions, Sind, and one Assistant Inspector)	-	-	-	-	-	-	-	-	-	5
(3rd.) Professors (of English Literature, Mathematics and Sanskrit in Elphinstone College; English Literature, Mathematics and Sanskrit in Poona College; two Professors of Law in the Government Law School)	-	-	-	-	-	-	-	-	-	8
(4th.) Principals of Government Colleges (Elphinstone, Poona, and Poona Civil Engineering Colleges)	-	-	-	-	-	-	-	-	-	3
(5th.) Director of Public Instruction	-	-	-	-	-	-	-	-	-	1
										21

10. Looking forward to the wants of the future, I think it will certainly be necessary, within the next few years, to make some additions to this limited number, viz., one Professor of History, and one of Latin, must be given to Elphinstone College, and the same to Poona College, and three Professors of different subjects must be assigned to the Poona Civil Engineering College. Probably about five more first-grade high schools will be required in the different parts of the Presidency. These additions are all that I can foresee as necessary, and they would amount to—

Professors	-	-	-	-	-	-	-	-	-	-	7
High School Masters	-	-	-	-	-	-	-	-	-	-	5
											12

thus raising the upper or covenanted educational service in this Presidency to a fixed total of 32 officers.

11. It would have seemed to me hardly necessary to say anything on the great importance of properly filling the appointments above specified, except that the absence of all special regulations with regard to them, coupled with the unfavourable conditions actually attached to these appointments, seems to indicate that the attention of Government has never been drawn to the subject. I would, therefore, humbly submit the following considerations with regard to the different classes of appointments :

(1st.) It has now become possible to raise the first-grade high schools of this Presidency into institutions worthy of their name, which would be characterised by a literary and classical spirit, and would exercise a humanising influence on all the native students admitted to them. Our Native University graduates form excellent assistant masters in such schools, but it is essential that the head master should be a European gentlemen of high cultivation, who will give a tone to the entire school. Anyone who knows the great intellectual quickness of native boys, and the immense benefit they invariably derive from contact with a teacher whom they feel to be superior, will acknowledge that the head masterships of our first-grade high schools should be filled by the best men that can be got from the universities of Great Britain, and that the high schools (as a rule) will never prosper until their head masterships are so filled.

(2nd.) It is not only for the sake of the high schools that men of the kind indicated should be sent out as head masters, but also with a view to these same men being promoted in course of time to be educational inspectors. At present it is difficult to fill up vacancies in the inspectorships. But there is no doubt that a university graduate from England, who had served some years as head master of a high school, and had learnt during that time

the

the vernacular language of the district, would, in most cases, possess all the requisites for a good educational inspector, these requisites being a certain amount of literary culture, combined with activity of habits; administrative capacity, and sufficient social standing to deal on terms of equality with collectors and magistrates, and other local authorities.

(3rd.) On the learning of the professors in the colleges of the Presidency, the success of the Bombay University entirely depends. And how much depends on the success of the university? Little less than the regeneration of the mind of the people. When it is reflected that the Native University students furnish, or will ere long furnish, the school teachers, the pleaders, the practitioners of European medicine, the subordinate revenue and judicial officers, the overseers of public works, and above all the newspaper writers, who are constantly disseminating, wise or foolish, disaffected or loyal, criticisms on the acts of Government, it cannot but be felt that it is of the utmost importance that the fountain head of all this stream of influence, namely, the professors and principals of colleges, should be as high and pure as possible. Without solid and special learning in the professors, the university system of this Presidency must retain that level of frivolous superficiality, which has hitherto been the disgrace of education in India. Without gravity and wisdom in the professors, there is no saying what subversive sentiments may become associated with European teaching. Already it has been said, and I believe truly, that one active-minded teacher in this Presidency succeeded in leavening an entire generation of his pupils with the doctrines of Tom Paine, and the political principles which would now go by the name of Fenianism.

12. If these matters are looked at with attention, I think it will be felt that there are grounds for considering the upper educational appointments in this Presidency no longer as places of little importance, to be placed on the same level with the mass of the uncovenanted service, to be dealt with neglectfully, to be given away to political retainers, or filled up at haphazard, but rather as being worthy of no less care than other departments of the State. At present, it may be said that the Government of Bombay has been far more fortunate than it could have had reason to expect, in the men that have been obtained to fill these appointments. But how many are there of our higher educational officers, who (though admirably fulfilling their duties) are yet proud of their position, or would advise any friend in England to enter upon the same career? The real worth of appointments in India is becoming understood in England every day more clearly, and I should have no hesitation in predicting, that if the educational service of this Presidency is left on its present footing, it must degenerate instead of improving; and thus, for want of a little attention and liberality, a really great opportunity will be lost.

13. I trust that my own feeling of the importance of the question will not be considered exaggerated, and that I shall be pardoned for plainly stating the grounds of my opinion. The practical measures which I would humbly suggest to Government, are as follows:

(1st.) That an upper educational service in the Bombay Presidency be formed, which should be open to natives of distinguished merit, but which would, for a long time to come, be mostly filled by graduates of high standing from the European universities.

(2nd.) That this be constituted a "service" properly so called, with a covenant of conditions, and regular rules of advance in pay.

(3rd.) That this service consist of head masters of first-grade high schools, educational inspectors, professors of literature and science, principals of colleges, and the Director of Public Instruction; with a maximum limit of 32 officers to constitute the entire service.

(4th.) That all other persons in educational appointments in the Presidency be considered as constituting the "Uncovenanted Educational Service," and remain on the footing of their present rules.

(5th.) That every officer of the Covenanted Educational Service commence with a salary of not less than 500 rupees per mensem, and that he be

6 CORRESPONDENCE RELATIVE TO THE CONSTITUTION OF

entitled to an increase of 50 rupees per mensem additional to his former pay, at the end of each year of actual service, with the following limitations :

	<i>Rs.</i>
No High School Master to attain to a salary exceeding	800 per mensem.
No Professor „ - - - -	- 1,200 „
No Principal of a College „ - - - -	- 1,500 „
No Educational Inspector „ - - - -	- 1,500 „

The salary of the Director of Public Instruction to remain as at present (2,500 rupees per mensem), without his being entitled to any increase.

(6th.) That the appointments coming within the Covenanted Educational Service be reserved, in the first place, for officers of that service, and that no one be appointed principal of a college, educational inspector, or director of public instruction from outside the service, unless Government is of opinion that there is no one in the service qualified to hold the appointment.

(7th.) That a fixed retiring pension of 365 *l.* per annum be allowed, without the necessity of medical certificate, to covenanted educational officers on their completion of 14 years' actual service in India, or of 15 years', inclusive of one year spent on furlough.

(8th.) That any such officer who may be declared by medical authority to have become absolutely incapable of further duty in India before the completion of seven years' service, may receive a free passage home, and a gratuity not exceeding one month's pay (at his last rate of salary) for each year that he has served.

(9th.) That any such officer, on medical certificate of incapacity for further duty, may obtain at the completion of seven years' service a pension of 127 *l.* 15 *s.* per annum, and at the completion of 10 years' service 173 *l.* 7 *s.* 6 *d.*

(10th.) That a furlough of six months at the end of seven years' service, and of one year at the end of 10 years' service, or of 18 months at the end of 10 years' service, if no previous furlough has been taken, be allowed to officers of the Covenanted Educational Service. The furlough allowance to be at the rate of 400 *l.* per annum.

(11th.) That the ordinary rules for sick leave and privilege leave now allowed to the general Uncovenanted Service be continued to the Covenanted Educational Service, with the proviso, now made, that officers who are allowed school and college vacations cannot claim privilege leave.

(12th.) That social rank and precedence be granted to the Covenanted Educational Service on the same footing as to the Covenanted Civil Service, except that, as educational officers will naturally come out to this country at least two years later than covenanted civilians, covenanted educational officers should take rank from the date of their commencement of service with civilians of two years' standing.

(13th.) That any person appointed to fill the post of first-grade high school master, professor, educational inspector, or director of public instruction, be, *ipso facto*, admitted to the privileges of the Covenanted Educational Service, but that any such appointment will require the sanction of Her Majesty's Secretary of State.

(14th.) That on any person being appointed to one of the above mentioned posts he be considered appointed for two years certain, Government reserving to themselves the right of continuing to employ him, or of dispensing with his services at the end of two years; and that general want of efficiency be considered sufficient ground, without commission of any special fault, for discontinuing the employment of any officer at the period when his first two years of service have expired.

(15th.) That a similar consideration of each officer's services be made at the end of his first five years of employment.

16th.) That

(16th.) That in case of the services of any officer being dispensed with at the end of two or five years' employment, he be allowed a free passage home.

14. The above is the outline of a sketch for the conditions of a covenanted educational service, which I humbly submit for the consideration of Government. The terms of pension are taken from the present rules for the ecclesiastical service, except that in my suggestions the final term for pension is a little shortened. I have suggested the period of 14 years' actual service on account of Dr. Arnold's famous dictum, which was literally acted upon by Dr. Vaughan at Harrow, "that no schoolmaster ought to remain at his post much more than 14 or 15 years, lest by that time he should have fallen behind the scholarship of his age" (see Life of Dr. Arnold, 4th edition, vol. 1, p. 147). This saying, if applicable in England, is doubly applicable in India, and I am humbly suggesting rules to secure the absolute efficiency of a small body of most important officers.

I have, &c.
(signed) A. Grant,
Director of Public Instruction.

Poona,
Office of the Director of Public Instruction,
22 October 1866.

(No. 681.—Educational Department.)

Bombay Castle, 11 December 1866.

THE Director of Public Instruction, No. 1552, dated the 22nd October 1866.

Urges on the consideration of Government the necessity for placing the higher appointments of the Educational Service of the Bombay Presidency on a new and better footing.

Resolution.—The Honourable the Governor in Council concurs very much in the views expressed by Sir A. Grant. But there are one or two points in regard to which Government would be glad to have more information.

If the extension of privileges, as to members of a covenanted civil service, were conceded as proposed, would Sir A. Grant suggest any special process for the admission of members? He contemplates that they will generally be graduates of high standing in a European university, but he would not exclude natives of India (paragraph 13, clause I.) and other persons (paragraph 13, clause XIII.). Would he require no evidence of fitness beyond the readiness of those in authority to nominate to certain offices?

Some intellectual test or qualification might seem to be required if every person so nominated is to take rank, not only along with, but above all those who may at the same time have entered the ordinary Civil Service by competition (paragraph 13, clause XII.).

The reason assigned in paragraph 14 for suggesting the grant of pensions after 14 years of actual service may, perhaps, be thought insufficient, if they are to apply not only to those who have served continuously as head masters, but also to those who have been successively employed as head masters, professors, inspectors, and directors of public instruction.

It might be advantageous if Sir A. Grant were to state more particularly whether he does not think (and why) that members of the Covenanted Educational Civil Service might be placed, with regard to rank, privileges, &c., in all respects upon an equal footing and under the same rules as members of the ordinary Civil Service? It seems probable that a separate judicial branch of the Civil Service will ere long be organised. Would it be well, in like manner, merely to organise a separate educational branch?

In that case would it be advantageous to regard and declare members of that branch of the Civil Service available for employment also (when their attainments and capacity have been proved to fit them specially for such employment), in other high public offices, as Secretary to Government or member of council?

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The Director of Public Instruction should also be requested to state whether he thinks the selection of candidates, after competition, might not be made as for the Civil Service, leave being given to any man electing for the educational branch to complete his English university course before coming out to India.

To the Director of Public Instruction. (signed) *C. Gonne*,
Secretary to Government.

(No. 1975, of 1866/67.)

(No. 91.)

To *C. Gonne*, Esq., Secretary to Government, Educational Department.

Bombay, Office of the
Director of Public Instruction,
7 January 1867.

Sir,

IN acknowledging the resolution of Government, No. 681, dated 11th ultimo, I beg respectfully to report further on the points referred by the honourable the Governor in Council.

2. The most important question of those under reference, and the first in logical order, is the question whether the higher educational service of Bombay should not be made simply a branch of the Covenanted Civil Service.

3. There is no doubt that this course would be, for many reasons, the most desirable of all, if the difficulties which would seem to attend it could be overcome. These difficulties I would state as follows:

(a.) The higher educational service may be said to consist of two branches, an administrative branch and a learned branch. The functions of high schoolmasters, inspectors, and the director are administrative, those of professors are learned; principals of colleges have a mixed function, partly administrative and partly learned.

Now, it is at once clear that we cannot rely on the ordinary appointments of the India Civil Service, for officers to fill the learned branch of the Educational Service. When a professorship of Sanskrit, mathematics, history, logic, engineering, or any other subject, is vacant, we require to fill it, not a man of general cultivation, but of special attainments, a man who has gone deeply into the particular science, and given his whole mind to it. Unless our professoriate is supplied with scientific men, possessing profound special knowledge, our university must degenerate and become a mere pretence and laughing stock. Thus it will always be necessary to choose our professors in a different way from the ordinary members of the Civil Service. And not only must they be chosen differently, but from the particular nature of their pursuits they will hardly be in a position to qualify themselves for employment in the revenue or political branches of the public service. Thus though a versatile professor might occasionally be thought fit for practical duties, yet as a general rule they will remain separate, and the professoriate, which I estimate as likely to consist of about 15 appointments out of 30, and as amounting therefore to about half the higher educational service, must be pronounced incapable of real amalgamation with the Covenanted Civil Service of this Presidency.

(b.) Passing now to the administrative branch of the educational service, which consist of first grade high schoolmasters, inspectors, and the director (altogether to be reckoned at about 15 appointments). I should say that there would be no objection to filling these appointments with members of the Civil Service, beyond the objections likely to be raised by the Civil Service itself. The question seems to me to be this: can it be said that
employment

employment in the Educational Department is a good qualification for high public offices, such as Secretary to Government, or Member of Council? Supposing a man to have served for five years as a schoolmaster, and five years as educational inspector, and three years as director of public instruction, would he be likely to be thought qualified for the functions of Secretary to Government in the Revenue, Judicial, or Political Departments? If not (and I confess I think not), then members of the Civil Service are hardly likely to elect to enter the educational branch, which would begin with a schoolmastership (a kind of appointment against which there is a certain amount of social prejudice), and which would end with chances of promotion far inferior to those offered either by the revenue or the judicial lines.

(c.) But supposing that high school masterships were allowed to lead to assistant collectorships and other similar appointments, it might be then not difficult to induce young civilians to accept such appointments, at all events for short periods. The only question would be, would not the general administration of the country suffer to some extent by the loss of district experience, which would be implied in the fact of a future collector spending three or four years of his early life in scholastic duties in a town, instead of in the management of Talooka affairs in the Mofussil?

(d.) Young civilians would be generally extremely well fitted for the duties of educational inspectorships; but I think that these appointments ought henceforth to be reserved as promotion for the high schoolmasters. If the schoolmasters are to be civilians, then the inspectorships would become civilian appointments, but not otherwise, in my humble opinion.

(e.) Government suggests that candidates chosen for the Civil Service might be allowed to elect for the educational branch, and might have leave to complete their university course before coming out to India. I think that this arrangement would be a little complicated, and on general grounds undesirable; first, because the appointments of schoolmasterships are so few that it would be a matter of uncertainty when vacancies would occur. Second, because a civilian, by electing to finish his university course, would really cut himself off from that special preparation for Indian service, which his contemporaries would receive in London, and would, by confining himself to merely academical acquirements, disqualify himself to a considerable extent for higher offices, such as that of Secretary to Government in this country. I may add, thirdly, that I should not place much faith in the activity of a man's university studies after he had attained such a prize in life as a civilian appointment.

4. On the whole, then, I am reluctantly brought to think that, though the Educational Service of this country would gain in strength and efficiency if it could be amalgamated with the Covenanted Civil Service, the difficulties in the way are too great to be overcome. Half the Educational Service must consist of men of special learning, of tolerably mature age, and with formed literary habits, quite different in sort from the class of men required as civilians. The other half of the Educational Service can hardly offer in itself sufficient inducements for civilians to enter it, and on the other hand it would not serve as a good preparation for revenue and judicial appointments.

5. From these reasons I am induced to return to my former suggestion, namely, that the higher educational appointments should be made to constitute a separate covenanted service with its own rules and conditions, upon the analogy of the ecclesiastical establishment in this country.

6. With regard to the question of rules for admission to this service, I beg to say that I considered myself excluded from entering upon the subject, having last year, in my letter, No. 999, dated 17th October 1865, submitted detailed suggestions for the selection of educational officers in England, which were forwarded by Government to the India Office, and to which answer was made by the Secretary of State in his Despatch, No. 3, dated 12th February 1866, that he "did not wish to give up the responsibility of making educational appointments."

7. Being now authorised by Government to enter upon the subject anew, I would humbly suggest the following sketch of rules for admission to the Covenanted Educational Service :

(a.) No one to be admitted to this service except as either first-grade high schoolmaster, or professor.

(b.) Every vacancy to be filled up in England at the time of the Civil Service competition, after at least six months' public advertisement, in all the universities, of the vacancy.

(c.) No one to be eligible to be a high schoolmaster who is not a graduate in some European or Indian university ; or who is more than 26 years of age ; or who does not produce a medical certificate of fitness for Indian service.

(d.) Every first-grade high school mastership to be awarded by means of competition among the candidates for the vacancy, on exactly the same system, and by means of the same papers as the civilian appointments.

(e.) No one to be eligible for a professorship who is not a graduate of some European or Indian university, or who is more than 30 years of age ; or who cannot produce a medical certificate of fitness.

(f.) Every professorship to be awarded by competition in the subject of the vacant chair, by the Indian Civil Service examiners in that subject for the time being.

8. It will be observed that in the above draft of rules I have suggested that all appointments should be made in London. I think that this condition ought to be insisted on for a covenanted educational, as for a covenanted civil service. Natives wishing to enter the service either as professors, or first-grade high schoolmasters would be able to do so by attending the competition (of which six months' notice would be given) in London. I need hardly expatiate on the reasons which render such a proviso most desirable.

9. It only remains for me to explain why I thought that the reason mentioned in the 14th paragraph of my letter, No. 1552, under reference, might be sufficient to justify a pension, after 14 years, being granted to higher educational officers. Government points out that some of the educational appointments are not teaching appointments ; but the fact is, that only the directors' and inspectors' appointments (that is, five or six officers out of 30) are other than teaching appointments, so that four-fifths of the entire proposed service would come directly under the terms of Dr. Arnold's dictum, and even with regard to the director and the inspectors, it would be equally true that a tolerably frequent introduction of " new blood " is highly desirable.

10. In suggesting a short term for the attainment of pension in the Educational Service, it will be observed that I have at the same time proposed an extremely modest amount of pension. Should Government wish the time of service prolonged for persons holding educational office, I trust they will see fit to grant at the same time a higher rate of pension.

11. Should Government think the difficulties which I have above stated to the amalgamation of the education with the Covenanted Civil Service, not insurmountable, I can only say that no one would more gladly welcome than myself such an amalgamation.

I have, &c.
(signed) *A. Grant*,
Director of Public Instruction.

(Home Department.—Education.—No. 3, of 1867.)

To the Right Honourable Viscount *Cranborne*, Secretary of State for India ;
dated Fort William, 21 March 1867.

My Lord,

THE Government of Bombay, in their Despatch, No. 2, dated the 28th February, have placed before you Sir Alexander Grant's proposals for placing the higher appointments of the Educational Service of that Presidency on a new and better footing.

2. We now transmit for your information a copy of a communication* on the subject which we have caused to be made to the Government of Bombay. * No. 2673, dated 16 March 1867.

We have, &c.
(signed) *John Lawrence.*
W. Mansfield.
H. S. Maine.
W. Grey.
G. N. Taylor.
W. N. Massey.
H. M. Durand.

From *A. P. Howell*, Esq., Under Secretary to the Government of *India*, to
W. Wedderburn, Esq., Acting Secretary to the Government of Bombay
(No. 2673) ; dated 16 March 1867.

I AM directed to acknowledge the receipt of you letter, No. 4, dated the 31st January, submitting a correspondence on the subject of placing the higher appointments of the Educational Service of the Bombay Presidency on a new and better footing.

2. In reply, I am directed to state that the Governor General in Council regrets that he is unable to recommend to the Secretary of State Sir A. Grant's proposal for the constitution of a small Covenanted Educational Service separate from the General Educational Service.

To His Excellency the Right Hon. the Governor General of India in Council.

(Educational, No. 5.)

Sir,

India Office, London,
16 July 1867.

I HAVE received your Excellency's letter of the 21st of March last, No. 3, respecting Sir Alexander Grant's proposals with regard to the higher appointments of the Bombay Educational Service. As the question is beginning to attract attention in this country, it is desirable that I should be furnished somewhat more fully with the views entertained by your Government respecting it.

I have, &c.
(signed) *Stafford H. Northcote.*

EDUCATIONAL SERVICE (BOMBAY).

COPY of Correspondence between the Director of Public Instruction at *Bombay* and the Secretary to Government at *Bombay*, with respect to the Constitution of a small COVENANTED EDUCATIONAL SERVICE in that Presidency.

(*Mr. Grant Duff.*)

*Ordered, by The House of Commons, to be Printed,
22 July 1867.*

EAST INDIA (IRRIGATION).

RETURN to an Address of the Honourable The House of Commons,
dated 4 March 1867;—for,

“COPY of DESPATCHES on the Subject of IRRIGATION in *India* generally
since the TRANSFER of the Government of *India* to Her Majesty.”

India Office, }
5 March 1867. }

W. T. THORNTON,
Secretary, Public Works Department.

NOTE.—These Papers are in continuation of those furnished on 9th April 1861,
in compliance with an Order of the House of Commons, dated 22nd March
1861.

(*Viscount Cranborne.*)

Ordered, by The House of Commons, to be Printed,
6 March 1867.

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COPY of DESPATCHES on the Subject of IRRIGATION in *India* generally since
the TRANSFER of the Government of *India* to Her Majesty.

— No. 1. —

PUBLIC WORKS DESPATCH from the Government of India to the Secretary of
State, dated 7 April (No. 23) 1864.

Sir,

DURING the last two years the Government of India has had from time to time brought under its consideration several very important questions relating to the construction of irrigation works by private companies. The special points raised in each case have been separately disposed of, and have been, or will be shortly, reported to you. Our intention in now addressing you is to advert to the conclusions which we have adopted in reference to the general question, which appears to us to be one of the most important that can arise in the administration of Indian affairs, namely, whether irrigation works should be carried out by the direct agency of Government, or through the instrumentality of private companies.

2. The views of the Members of the Government of India will be found at length in the series of Minutes which accompany this Despatch, commencing with the Minute of the late Lord Elgin, and ending with that recorded by Sir John Lawrence.

3. It is satisfactory for us to be able to inform you that there is a complete substantial accord in regard to all the main points that have been discussed in connection with this subject. The Government of India adopts fully the conclusion that the State should undertake directly all the irrigation works that it can practically manage, in preference to entrusting them to private companies. At the same time, it sees no insuperable objection to admitting private companies to take up irrigation projects under suitable stipulations, and it considers that arrangements might be made which would be unobjectionable as regards the interests of the State, and yet so far leave an opening for profit to capitalists, that their co-operation in providing the requisite capital, and in undertaking the actual construction and maintenance of the works, might probably be secured.

4. The immense value of irrigation to the agricultural community in all parts of India is beyond dispute; and we are sensible of the serious responsibility which rests on the Government to do what is in its power to extend works designed for this purpose. Much has already been accomplished, but more still remains to be done, and it should, without doubt, be our constant aim to follow up, with yet greater consistency and practical force, the efforts that have for many years past been made to extend the benefits of irrigation to the country at large. We fully assent to the doctrine that our surplus revenue should be the fund from which to supply the requirements of the country for public works; but if this should prove insufficient, we should be disposed to consider favourably any practical scheme that had for its object the provision of whatever funds were considered needful for the prosecution of irrigation works with proper vigour, by means of loans raised to supplement the ordinary revenue.

5. We shall be glad to hear that Her Majesty's Government assents to the views which we thus briefly summarize, and we shall be prepared, in this event, at once to proceed to the consideration of the practical steps to be taken to give effect to our conclusions.

6. The history of the last famine in Upper India is still fresh enough in the memories of every one to render superfluous any general comments on the
appalling

appalling character of a season of drought over a large area. In like manner, we believe that the luminous report of the late Colonel Baird Smith sufficiently demonstrates, without any further remarks on our part, the real power of systematic irrigation to amend the worst consequences of such a season of drought, and proves that against such visitations there is in truth no other security possible; all other things, and among them improved communications, acting only as feeble palliatives. It will be a day of the greatest promise for the future well-being of India, when the Government shall take the first decisive step towards the gradual but systematic introduction of irrigation works into every district now liable to occasional seasons of drought, and shall thereby lay the foundation of a new order of things, under which the sound and material progress of the community will no longer be liable to be suddenly arrested and thrown back indefinitely, as is now the case, and as must ever continue to be the case, so long as the country is left without the safeguard of a sufficient supply of artificial irrigation to support the people and the cattle in a season of drought.

We have, &c.

(signed)

John Lawrence.

R. Napier.

H. B. Harington.

H. S. Maine.

C. E. Trevelyan.

W. Grey.

Enclosure 1, in No. 1.

Dated 12 December 1863.

MINUTE by the Right Honourable the Governor General of India.

As the Secretary of State has decided that the sum of 3,000,000 £., to be taken from the cash balances, shall be expended on reproductive works, this seems to be a fitting time for considering, in connection with the two very able and comprehensive notes by the Secretary, Public Works Department, on irrigation schemes, now before us, one of the most important questions which can arise in the administration of Indian affairs, viz., whether such schemes should be carried out by the direct agency of Government, or through the instrumentality of private companies.

The Secretary, in his note on Mr. Bourne's scheme for irrigation in the Punjab, assumes that this question has been decided in favour of private companies on the ground that arrangements have been actually completed with the East India Irrigation Company for the Orissa canals, and that offers made for the execution of the Soane project by the same company are under consideration. But the strong objections which he, afterwards as I think with great justice, urges against the terms of the Orissa contract, deprive this case, as it appears to me, of all value as a precedent to guide us in our future policy with respect to this class of undertakings.

It is true that the Secretary, in a subsequent part of this note, specifies certain conditions and stipulations under which, as he contends, concessions of this nature might safely be granted to companies. It may, perhaps, be doubtful whether these conditions would, in all cases, prove sufficient for the end in view, or give adequate protection against the occurrence of difficulties and misunderstandings, as, for instance, when it is proposed that arbitration shall be resorted to as a means of adjusting differences between the companies and the Government respecting water rates and other matters. I shall say more on this point hereafter. Meanwhile I must observe that, in order to render arbitration effectual towards the settlement of such differences, it is not enough to prescribe in loose and general terms this mode of dealing with them; it is further necessary that the principles by which arbitrators are to be guided in their decisions be distinctly set forth and enunciated. Otherwise, in cases such as those which are likely to arise under the irrigation contracts, where complex and conflicting considerations of equity are sure to present themselves, such decisions will almost inevitably be passed without rule or consistency, in accordance with the prepossessions or views of right entertained by individual arbitrators, to the sensible aggravation of the doubts as to relative powers and claims which called for their interposition.

But even if it be admitted that all objections to entrusting such undertakings to private companies would be removed if the contracts entered into between them and the Government contained the conditions drawn up by the Secretary, it still remains to be shown that companies, conducted by persons of character and capital, will consent to bind themselves by such engagements. The evidence, so far as it goes, is entirely opposed to this assumption. For, as will be perceived from the correspondence which has taken place with the East India Irrigation Company on the subject of the Soane project, the directors of that company object peremptorily to almost all the modifications of their proposed contract, which are intended to bring it into closer conformity with the Secretary's views.

In

In point of fact, if we consider the nature of the problem which Government has to solve, when it invites companies to co-operate with it in the execution of such works, the difficulties which present themselves seem to be altogether insuperable, unless on the hypothesis that Government is to exercise all control over, and consequently to assume all responsibility for, the undertakings ostensibly entrusted to independent companies. In which case what is gained, except embarrassment, by bringing this agency into play, is not very clear.

In proportion to the benefit which irrigation works confer on any given district, is the extent to which the population thereof becomes dependent upon them when they have been executed, and therefore the danger of leaving it in the power of persons who may be influenced by self-interested considerations only, to interfere with the usual water supply, whether by enhancing rates of charge, or by neglecting repairs, and declining outlays, which are indispensable to the thorough efficiency of the works.

Even where the only parties to the transaction are the Government and the cultivators or proprietors of land, the difficulty of fixing the water rate, on an equitable basis, will be found to be very great, more especially when taken in connection with the policy of effecting a permanent settlement of the claims of Government on the land.

The opinions of the Secretary of State, as expressed in a recent despatch addressed by him to Bombay, and since repeated both to Madras and the Government of India, clearly coincide with those of Mr. Muir, in the principle that the charge for water supplied from canals should be made uniform over certain areas; in other words that it should not vary within such areas, with the quality of the soil to which it is applied, or with the nature of the crops raised upon it. But it is notorious that the benefit which land derives from canal irrigation varies almost indefinitely, from a benefit hardly appreciable, as in cases where water is already procurable in abundance from wells sunk by the cultivators, to an enhancement of its productive capabilities of from 100 to 200 per cent. If the price of canal water be made uniform over areas containing land thus diversely affected by its application to it, and fixed so low as to admit of its use by persons occupying the portions that fall under the former of these categories, it is obvious that, wherever the settlement has been already made permanent, an enormous boon will be conferred at the cost of the community, upon no rule or principle, but by sheer accident, on those who hold what is included under the latter.

Again, is the water rate to be fixed once for all, or is it to be susceptible of periodical re-adjustment? If the latter course be adopted, very delicate and complicated questions will arise as to the principles on which such periodical adjustments should be effected. For instance, cultivators to whom canal water was of very little value, while their own wells were in working order, may become entirely dependent upon it, when their wells shall have fallen into disrepair. Is advantage to be taken of this enforced dependency to enhance their water rates?

As I have before observed, while the Government on the one hand, and the cultivators or proprietors on the other, stand alone, a way of escape from these difficulties will probably be discoverable. The aim of Government will necessarily be to reconcile to the utmost practicable extent the interests of the community at large with those of that portion of the community which is directly affected by the undertakings in question; or, failing this, to make, on the fairest terms that can be devised, a compromise between these interests. Whether it will be expedient, in consideration of certain moral and material benefits which are expected to result from fixity of charges and tenure, to consent on behalf of the public to the great sacrifice which must be made if all the benefit which will accrue under the most favourable circumstances from the application of water at fixed rates to land already permanently assessed, is to be reaped by individuals, or, whether it will be deemed fairer and wiser, in districts which are likely to obtain the advantages of canal irrigation within a reasonable period of time, to defer the permanent settlement of the land revenue until the effect upon their productiveness of such irrigation shall have been ascertained by actual experiment, are questions of great intrinsic difficulty, the solution of which will, no doubt, tax to the uttermost the ability and judicial perspicacity and firmness of Government, even while the interests of the public at large on the one hand, and of the cultivators on the other, are alone concerned in the issue. But the introduction of companies must necessarily import into the discussion a new class of rights and claims, and add greatly to the complexity of the case.

Companies undertaking such works are unquestionably entitled to look for, and to endeavour to secure, ample returns on the capital advanced by them. These returns will mainly depend, firstly, on the amount of expenditure they are required to incur; secondly, on the profits which they are permitted to realize.

But I have already shown that, in the interest both of the cultivators and of the community at large, it is indispensable that Government should exercise over such companies on both these heads an almost absolute control.

In the first place, as regards outlay, it is manifest that Government must, in one form or another, have authority to direct the execution of any work whether of construction or maintenance, the omission of which will, in its judgment, subject whole districts to the imminent risk of ruin or famine, even in cases where the expenditure thereby entailed on the company may be great, and the prospect of an adequate return doubtful.

Then, again, as to the question of profits, the Secretary of State, in his Despatch No. 25, of 16th July 1863, referring to the relations of this Government with the East India Irrigation Company, says "what is enjoined by the contract is, that the price shall be so

fixed as to represent, as nearly as possible, 'a fair charge' to the parties taking the water. This charge must not be calculated exclusively on the money value of irrigation, but must be fixed at such a rate as to give a considerable advantage to the ryot in the use of the water, and at the same time to afford to the company a liberal remuneration for the expense of supplying it;" and, further on, "a fair and uniform charge should be carefully determined, in the first instance, on the principles above stated, and should on no account be permitted to be increased subsequently, for it should always be borne in mind that the principal object of Government in virtually foregoing its right to participate in the profits arising from irrigation was not to swell indefinitely the gains of the company, but to enable the ryots to share more largely in the benefits of irrigation." But what is a liberal remuneration? We may form some conjecture as to the views of the companies on this point from the fact of the unwillingness of the East India Irrigation Company to divide profits with the Government until after their exclusive dividend shall have reached 25 per cent. No doubt, so long as the divisible profits are so considerable as to yield to the companies what they will consider a "liberal remuneration," and to leave a surplus to be a bonus to the ryots using the water, an arrangement such as that suggested by the Secretary of State may work smoothly. But can it be assumed that this will always be the case? and even where it is the case, what becomes of the inducements to practise economy and enforce good management, which are supposed to act much more powerfully on private individuals or on companies than on Government, if profits are to be fixed, not on ordinary commercial principles, but on arbitrary rules such as those laid down above?

On the whole, I am unable to avoid the conclusion that in this matter of canals, an amount of Government interference is called for, by considerations affecting the well-being of the people and the interests of the revenue, which is incompatible with the satisfactory execution of these works by private companies.

If these views be sound, it is our duty to consider whether there be any insuperable obstacles to their execution by Government.

As regards professional advice, Government has advantages at least equal to those which the companies enjoy. In point of fact, these latter very generally take their engineers from the body which supplies the Government.

As to funds, it may safely be affirmed that Government can procure them for itself on much easier terms than any which the companies would admit to be a "liberal remuneration" on their outlay. It may also be observed that a very large annual expenditure could not be judiciously incurred even for this important object, and that meanwhile the Secretary of State has placed at our disposal 3,000,000*l.* from the cash balances which might be employed on the most urgent of these undertakings.

I close this Minute by a few words on each of the two projects to which the Secretary's notes refer.

Government has made certain offers to the East India Irrigation Company in the matter of the Soane projects. It is above all things necessary that we should maintain entire good faith and act up to those offers to the full. Some of the company's proposals, however, go clearly beyond these offers, and more especially their pretension that they shall have the power of substituting a scheme of their own for that of Colonel Dickens without the previous authorization of Government. Fresh proposals of this nature it is of course entirely in our power to reject if we deem it advisable to do so.

As to Mr. Bourne's project, independently of the general objections above stated to the employment of companies in the execution of undertakings of this nature, the information which we possess respecting the composition of the proposed company, its views, and the wants of the country through which its canals are to be led, is not, in my opinion, sufficiently full and accurate to justify us in entering at present into serious negotiations with it.

Enclosure 2, in No. 1.

Dated 30 September 1863.

MINUTE by the Honourable *H. S. Maine*, Member of the Council of the Governor General.

I MOST fully concur with the Governor General.

It must be conceded that, if the Government of India cannot provide itself otherwise than through the medium of private joint stock companies with the necessary funds for the construction of irrigation works in certain parts of this country, the benefits which irrigation, even under the most unfavourable circumstances, hardly ever fails to confer, furnish a sufficient justification for incurring the risks and facing the difficulties to which his Excellency has called our attention. But the question suggested by his Excellency does not arise till a different assumption is made, the assumption namely, that the Government has at its command resources for the construction of these works. Is there any reason why, under such circumstances, the Government should prefer the agency of joint stock companies to the agency of its own officers, or even should regard itself as entitled to exercise an option between them? I conceive that the question can only be answered in the affirmative by those who are so wedded to the valuable general truth that private enterprise

enterprise is preferable to Government management, that they are prepared to make an application of it, which in Europe would hardly be regarded as within the sphere of rational discussion.

As the Governor General has observed, the dependence of the cultivator on irrigation works must be absolute, or nearly so. Where districts are watered for the first time, all cultivation will take its rise from the irrigation, and will be wholly governed by it. Where irrigation has hitherto been effected by means of wells, the artificial supply will supersede the wells. Where it comes in aid of a partial rain-fall, it will deeply modify and finally bring entirely under its influence the modes of cultivation, and in particular the periods of sowing. The relation of the cultivator to the artificial water will eventually be most exactly the relation of the ryot in the Lower Gangetic Valley to the annual rains; nor is the comparison fanciful, for the rain-fall in India is usually as steady and certain, and is defined by local limits almost as precise, as can be the most carefully regulated water-supply from artificial works. The consequences of a failure in the natural and in the artificial supply will be as nearly as possible the same. A total break-down in the works will, in fact, carry with it one of those famines with which the Government of India has to deal at long intervals, and which have hitherto been occasioned only by a local failure of the rains. A minor disarrangement of the artificial supply, caused by mismanagement or the demand of an unduly high price for the water, may be not unfairly compared to those seasons of comparative scarcity and distress which an imperfect rain-fall not unfrequently entails on Bengal or the north western provinces. Political economists have sometimes been fond of considering what would be the consequences if air, light, or rain were to become the subjects of private property, just as the earth is. It really appears as if this speculative problem were about to become in India a question of the utmost practical seriousness.

I do not believe that in any European country, any hands, except those of the Government, would be trusted to control artificial constructions which were of such immense importance for good or for evil. I do not believe that if the provisioning of London or Paris depended on a single railway, instead of depending on, at least, a dozen, as well as other means of supply, the management of that single railway line would be confided to any body but the Government, even though the result of a stoppage would be nothing worse than the throwing back the city for a single day on the stores actually accumulated in it. In such a case it would be felt that the moral responsibility of the Government would be a better security than the sense of self-interest in any company or collection of individuals, however keen that sense might usually be. The truth is, the moral responsibility of Government is only a weak guarantee when the consequences of failure are not formidable or imminent; and no responsibility of a European Government for anything it has undertaken could be more serious or more constantly present than that of the Government of India for the efficiency of irrigation works.

It is not, in fact, proposed by anybody that the Government should abnegate its responsibility, for nobody has suggested that a joint stock company should be allowed to undertake irrigation works except under a contract, which shall secure to the Government large powers of interference and superintendence. The widest differences of opinion prevail at present between the Government of India and the companies as to the terms of those contracts, nor is it necessary that I should here consider, from a legal point of view, the few which are approaching completion. The attempt to withdraw them from the tests of legal criticism by providing that all differences shall be submitted to arbitration, seems indeed to involve an admission that they are not intended to satisfy legal criteria; and I will therefore only say that I agree with the Governor General that the expedient will prove quite illusory. But this much is certain—that the sense of duty and responsibility in the Government must always lead it to stipulate for such powers of checking, admonishing, and superintending, as will go far to reduce the agency of the company to an intrusive, and therefore a disturbing and perplexing ingredient in the undertaking. And if a partnership of this sort does not succeed, there is no doubt which associate will reap the discredit; for the usual course of such matters in this country has hitherto been that the affairs of great undertakings fall into confusion from the Government having interfered too timidly, while the community is both assured and persuaded that the disorder is attributable to the Government having interfered too much.

There are unquestionably a multitude of useful works in India which can be more efficiently and profitably undertaken by individuals and companies than by the Government. But when in respect of the irrigation works now under consideration, the question between a joint stock company and the Government is stated as a question between private enterprise and Government management, it is certainly not fairly stated, for the words private enterprise suggest much which is not really present. In the first place, the enterprise is not that of an individual but of a corporate body, of which the separate members are distracted by interests and occupations almost as diverse as those which claim the attention of the Government of India. Further, it is the enterprise of a corporate body many thousand miles away, and compelled to act through agents whom it cannot superintend, and who, when not directly borrowed from the service of the Government, have to labour under new conditions in a country for the most part entirely strange, both to them and to their employers. It is very difficult to understand what a priori advantage over the officers of Government can be enjoyed by subordinates who serve a more distant, a more ignorant, a less strict, and an equally busy master.

The only ground on which I can conceive that the agency of companies for irrigation works can be regarded as preferable to the agency of Government when the necessary

funds are forthcoming, is the coarse ground sometimes insisted on in India, that nothing which the Public-Works Department does is well done. This view would be logical and reasonable if it were founded in fact; but it is needless to say that such impressions, when not traceable to the disappointments of cupidity or charlatanism, are the mere traditional products of a state of things long since gone by.

Enclosure 3, in No. 1.

Dated 30 October 1863.

MINUTE by the Honourable Sir *C. E. Trevelyan*, K. C. B., Member of the Council of the Governor General.

IT has of late become more and more apparent that the novelty and difficulty of the conditions under which the system of private enterprise has been applied to works of irrigation have not been sufficiently appreciated, and the opportunity that has now been obtained for reconsidering the subject is likely to be of great public benefit.

The general model present to people's minds is the great railway enterprises, which, with all their shortcomings, are being ably and successfully carried through; but railway experience was entirely English, while the detailed information upon which the successful execution, and, still more, the successful working of irrigation works depends, is entirely Indian. A railway also is self-contained, its relations with the people being of the simplest possible kind, whereas an irrigation work opens questions by no means easy of settlement, which deeply affect the interests of all parties concerned.

One point has certainly not had due weight given to it. The supply of water is a public property of the greatest possible value. It is more valuable than the land itself, because the productiveness of the land is more than doubled by it, and there are extensive tracts of land of which no use can be made without water, but which with water can be rendered highly productive. The supply of this invaluable commodity is also practically limited, for, although the basis of every irrigation project is the storing of the water which falls in the rainy season, the reserve, after all, is often totally insufficient. To husband this inestimable public property for the benefit of the public ought, therefore, to be an object of established policy. Situated as we are in India, it is of more than usual importance that we should not be obliged to have recourse to unpopular taxes. If any fiscal resource can be better than a moderate fixed land tax, it is a water rate, which at once supports and extends the land tax, and affords a further revenue, in consideration of a greater benefit conferred. This view has been so much lost sight of in the management of our relations with the Madras Irrigation Company, that, in the pending discussion of their third or Soane project, they assume the tone of conferring a favour, instead of receiving one, and evidently think that they are entitled to dictate conditions to the Government.

The other ruling point has, for the first time, had justice done to it by the Minutes of his Excellency the Viceroy and the Honourable Mr. Maine. Whoever has the command of the water has the command of the agricultural population of this country. The formation of new abundant reservoirs supersedes the former imperfect means of irrigation, and determines the economy of the entire district. Even without this, our experience of the ignorance and helplessness of the ryots unfortunately proves that they stand greatly in need of protection from those who are under no public obligation which would prevent them from using the power in their hands with a view to their own gain. The Government has acknowledged its responsibility in this respect, and the contracts with the Irrigation Company, made or proposed, provide for our exercising an active interposition in all that relates to the distribution of the water, and to the fixing and collection of the water rate.

This is a serious deduction from the advantages of private enterprise; and if the Joint Stock Company has to be placed in the position of a sleeping partner to the Government after the completion of the work, it may reasonably be inferred that our arrangements are immature, and that we ought to pause.

On the other hand, it would be a great misfortune if, through over-sensitiveness of present or impending evil, we were to throw ourselves without reserve into the opposite extreme, and, altogether rejecting private enterprise, depend entirely upon Government agency. Even if the Government had nothing else on hand, its utmost powers would be tasked to provide the requisite means of irrigation for the whole of India; but, besides its own proper business of governing, *i. e.*, of legislating and executing the laws, and conducting every necessary branch of the administration, it has all the roads, bridges, and civil and military buildings of every description to construct and maintain. Even at present the Government is over-tasked. Its capacity is only that of a single great joint stock company, for the ultimate direction and revision must be concentrated in one superintending office, and its powers are therefore measured by the time, and strength, and health, and knowledge, and judgment of a very limited number of individuals.

With the exception of the Grand Trunk Road, there is not a single road completed, or even in a forward state of progress to any important point, in the great province of Bengal Proper. Our railroad system, which is our only satisfactory means of communication,

cation, is entirely the result of private enterprise. There is, no doubt, a great deal that is open to exception in our contracts with the Madras Irrigation Company; but the irrigation works extending across the entire breadth of the Madras Presidency, from Kurnool to Nellore, and, still more, the highly beneficial works which are to rescue the district of Cuttack from periodical devastation, would have had no existence but for this private company.

The Government is only a single agency and a single superintendence, working under all the disadvantages which beset Government operations, especially in this country. Private agency, on the other hand, may be indefinitely multiplied, and it works with a spirit and continuity of which the railway systems of England and India furnish an example.

The only fund possessed by the Government for carrying on such operations is the produce of taxation in a poor country, the insufficient capital of which yields a high rate of profit. The fund upon which private enterprise is based, is limited only by the overflowing wealth of England, the unemployed annual accretion of which would be more than sufficient to make India all that she ought to be. Whatever defects there may be in the constitution of the Irrigation Companies, they are, at any rate, sound in this respect, that they do not require a guarantee. They may be sowing their money broadcast over the neglected swamps of Cuttack, but, at any rate, it is their own money, and India can derive nothing but benefit from it. The importance of keeping the Government out of the money market, and of preventing the continual accretion of interest either immediately due or guaranteed, which must be met, whatever exigencies of internal or external disturbance may arise, can hardly be over-rated; and it is of equal importance that our system of public works should have a sufficiently independent basis to allow of its being carried on without interruption, whatever pressure the Government may be under from any quarter. This was the case with the railways, which were carried on throughout the mutiny.

According to my view, therefore, the wants of India in respect of irrigation may best be provided for by a combination of public and private agency.

But I must explain that, by public agency, I do not mean a single comprehensive system, administered from one centre. Irrigation works are, in their nature, essentially local. It is perfectly well known, within each administration, what are the most promising works which ought first to be proceeded with; and the most effectual way in which the Supreme Government can promote the extension of irrigation, is to set the local governments free to commence such works as they can show reason for, and to confine itself to preserving financial regularity by exercising a general control over the appropriations.

The desired end is to be attained by the multiplication of small, inexpensive, easily managed works, rather than by the construction of a few great ones. The effect of small works of irrigation can be calculated with certainty, and they are generally much more productive than extensive undertakings. But, among the larger works, one entire set has been eminently successful. I have examined the great anicuts of the South, with their system of navigation, irrigation, and drainage channels, and I have assisted in the arrangements for the settlement of the land and water rates connected with them, and the impression they have made upon me is, that they are works, not only of the greatest practical utility, but also of the highest genius. In dealing with similar undertakings in other provinces, we must not reject the assistance of men who have given such proofs of their ability. However much we may differ from Sir Arthur Cotton on questions of finance and political economy, he is entitled to the highest respect as an engineer. I believe his Report upon the Ganges Canal to deserve the serious consideration of the Government. I would not for a moment listen to the proposal of handing that great work over to a private company; but I think we should profit by the advice of the most experienced and successful of our engineers in this line, to remedy its great and acknowledged defects.

His Excellency the Governor General adverts to the authority given by the Secretary of State, in his despatch, dated the 30th of August 1862, to appropriate 3,000,000 *l.* out of the cash balances, for reproductive works; but I beg to call to mind that, since that despatch was written, the Secretary of State has directed 6,000,000 *l.* to be remitted to England from the cash balances, for the payment of debt, and that another 1,000,000 *l.* has been similarly appropriated in this country. The cash balances must not be looked upon as a fixed unvarying quantity. They are even more fluctuating than the surplus income. The first few months of a war would force us to exhaust them, whatever works might be in progress; and the same result might be rendered necessary by a financial operation of the kind which the Secretary of State has in hand. As between the abnormal expedient of drawing upon the cash balances, and the established mode of providing for the whole of the expenditure of the year out of ways and means raised within the year, there can be no question which is most favourable to the public credit and to financial regularity and economy. Happily, I see no reason to doubt our continued power of making an ample appropriation, out of the surplus of the year, for all the public works which can, with advantage, be carried on within the year, including works of irrigation.

My general conclusion is, that we shall execute works of irrigation by Government agency to the full extent to which it can be shown that Government agency can, with advantage, be employed; and that, as regards works of irrigation conducted by private

enterprise, we should review our position, and determine, in a more deliberate manner than has yet been done, upon what conditions the co-operation of private companies can be admitted. For my part, I do not foresee any insuperable difficulties. The application of private enterprise, on the English system, to works of irrigation, is quite in its infancy. Only two such undertakings have yet been commenced.

The objection arising from the needless alienation of the resources of the Government can easily be obviated by confining the Irrigation Companies to a reasonable dividend. As the returns to be expected from a properly planned irrigation work are much larger and more certain than from any railway, I do not see why the advantage in the division of the profits should be so exorbitantly in favour of the shareholders in the Irrigation Company, and the more so, as every rupee obtained by an Irrigation Company is a rupee taken from the Government revenue. A first charge on all profits to pay a dividend of five per cent. on the capital of the company, and one-third of the net profits above that amount, would, I conceive, be sufficient for all ordinary cases.

The protection to be afforded to the native land-owners requires more careful consideration. When I was on my official tour in the Godaveri and Kishna districts, I held repeated conferences with the collectors, settlement officers, and the most intelligent of the native revenue officers on this subject; and after my return to Madras, I submitted the conclusions at which we had arrived to the revision of my colleagues in council. One main object distinctly kept in view was, so to simplify and facilitate the collection of the water-rate, that it might be easily dealt with either by the Government or by a private company; and I have not heard that the subject has since been attended with any difficulty in Madras. The result was, the establishment, in the Madras Presidency, of the system which has been accepted by the Secretary of State, and prescribed by him for adoption in Cuttack. This is based upon a complete separation of the land tax from the water-rate. The former was regulated by the rates prevailing in the Madras Presidency, according to the nature of the soil, without any reference to the supply, or absence of supply of water; that is to say, land of equal quality would be equally taxed, whether it was watered by the rain, or by wells, or from irrigation works. The water-rate was fixed with due regard to the profit to be derived from the use of the water, but at so low an average as to leave the ryot a considerable advantage. It was ascertained, by the result of an extensive inquiry, that the fertilising qualities of the water on the different descriptions of soil of which the Deltas of the Kishna and Godaveri are composed, were so nearly equal, that an uniform water-rate could be imposed. This may not be always possible, but the tendency should be to disregard minute distinctions, and to make the charge for water uniform over certain areas, as proposed by Mr. Muir. As the permanent settlement is extended, one element of uncertainty will be obviated, because the land tax will be fixed, and only the water-rate will remain to be adjusted.

Thus much is certain, that a joint stock company virtually sequestered and held in leading strings by the Government, is a novelty which will not commend itself to any one. If the officers of the company cannot be trusted to do their own business in direct communication with the native land-owners, there had better be no company at all. The special and peculiar advantage arising from the existence of such companies is to relieve the overburdened Government from a portion of its detailed work, so as to leave it free to bestow its exertions where they may be more suitably employed. My belief is, that provided the conditions are properly arranged, the officers of Irrigation Companies may be so trusted. The officers of the railways, both in their construction and working, have satisfactorily conducted their relations with the natives, and, except in a portion of Bengal proper, the same may be observed of private merchants and planters.

Enclosure 4, in No. 1.

Dated 3rd November 1863.

MINUTE by the Honourable *H. B. Harington*, Member of the Council of the Governor General.

THE only point in connection with these papers, upon which an expression of opinion is called for at present, appears to be whether, regard being had to the various and important interests involved, great works of irrigation, such as the Ganges Canal, and canals of the character of these proposed by Mr. Bourne for the Punjab, should be carried out by the direct agency of the Government, or entrusted, under certain regulations and conditions, to private companies.

The Minutes of the Governor General and Mr. Maine contain what seem to me to be unanswerable reasons against the entrusting such works generally to the agency of private companies, and in favour of their execution by the Government, even though the necessary funds should be obtainable only by recourse to a public works loan.

The Governor General has noticed the effect of the Government interference, which, when works of the nature of those in question are left to be executed by private Companies, must always be called for and exercised in order to secure the full benefit of the works to the people, and to protect the public interests; and what has been said upon this point by his Excellency and Mr. Maine appears to me to be almost conclusive against the employment of private agency for the execution of such works.

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The same objection obviously does not apply to railways, or to their construction and working through the instrumentality of private companies. Railways, in all their surrounding circumstances, and in their relations to, and bearing upon, the great masses of the people, are altogether so different from works of irrigation, of the nature of those under consideration, that I do not think that any inferences favourable to the entrusting such works to the agency of private or Joint Stock Companies can fairly or safely be drawn from the results which have attended the construction of railways and their working by means of such agency.

Enclosure 5, in No. 1.

Dated 3rd January 1864.

MINUTE by the Honourable Sir *R. Napier*, K. C. B., Member of the Council of the Governor General.

THERE appear to be three points under consideration:—

1st. Whether the construction of canals, or other works of irrigation, should be entrusted to private companies at all?

2nd. If so entrusted, whether the companies should be restricted to defined projects, to be amended or varied from, only under Government sanction? or, whether they should have the use of certain supplies of water and a given tract of country, and be allowed to construct therein such works of irrigation as they might think proper, without being subjected to any interference or control?

3rd. Whether Government could not meet the wants of India for irrigation by raising funds by direct agency, and enlarging its own executive for this special branch of public works, not only as well, but even better than private companies could do it.

In reply to these questions, I venture to think that the valuable aid of private companies should by no means be rejected if they would be content to accept, or to submit for approval, definite projects, to be altered or amended only on Government approval; and further, if they would consent to the water being distributed by Government agency, the company receiving a fair share of the proceeds.

Reasons which are patent to those who are practically conversant with works of irrigation in India, and which are so fully elucidated in the Secretary's notes and the Governor General's and Mr. Maine's Minutes, imperatively forbid the unreserved surrender to a private company of the "water resources" of a tract of country, or the "control over the people" which the power of withholding water, for however short a time, would give them. But I believe, with Sir Charles Trevelyan, that the value of water for irrigation is so great, and the return from it so certain, as to offer a sufficient inducement to private companies, and that arrangements may be made to satisfy them and also the just and reasonable demands of Government.

The greatest difficulty is the agreement regarding the price of water.

The complicated system of our early canal administration, which placed a very small rate on the water, and varied that rate with the varieties of crops, whilst the real price of the water was taken by the collector of revenues in increase of assessment, opened the way to the greatest amount of fraud, the greatest expense in measurements of areas irrigated, and the greatest distress and annoyance to the people.

If a uniform and sufficient price were put on the water, without any reference to the land revenue, it would greatly simplify matters. Such a rate might be based on a fair remunerative per-centage on the outlay, the land being freed from any liability to further charges on account of improved cultivation beyond what would yield under the ordinary well irrigation.

From Sir Charles Trevelyan's account of the Madras water rates they seem to be the nearest approach to a correct system that has been adopted in India, and his suggestions regarding the profits to be allowed to private companies appear very practical.

Although I do not think that any aid that private companies could give should be declined, there would still remain an ample field for the extension of Government agency in constructing works of irrigation. I see no reason whatever why Government should wait for private companies, or defer entering at once on works of irrigation; not in dependence on the "taxation of a poor country," but with funds raised expressly for the purpose, and thus secured from the contingencies which attend on works constructed from the ordinary revenue.

But it would be necessary to constitute a distinct and responsible trust or commission for irrigation, in order to secure the complete separation of funds raised for irrigation from the ordinary revenue, and a consistent administration of works of irrigation free from the changes and reversals of policy to which Government is liable.

It has been said that the Government of India has reached the limit of its capacity for executing public works.

I dissent, in the strongest manner, from such an assertion. I believe the Government, capable of executing, by its own agency, any works of irrigation, for which funds could be raised with more efficiency and economy than any private companies could do, but it would be necessary to extend the Public Works Department and constitute an Irriga-

gation Department, self contained, and in direct and independent communication with Government.

There can, I think, be no doubt that the reply regarding the Soane Canal should restrict the company to Colonel Dickens' scheme, leaving it open to them to submit, if they desire it, any project for the same tract of country to be taken upon its own merits and on a fresh basis.

If the continued employment of private companies should be ultimately approved of, it would be necessary to publish the conditions on which Government is prepared to accept proposals for the construction of works of irrigation.

Enclosure 6, in No. 1.

Dated January 1864.

MINUTE by His Excellency Sir *William Denison*, Governor General of India.

My experience of the working of the Irrigation Company in Madras justifies me in asserting that the system which has been adopted in dealing with this Company is essentially faulty, and will lead to every kind of complication; disputes will arise, as indeed they have already arisen, as to the value of the water, the mode of distribution, the quantity to be given per acre, whether the occupier of land under the level of the supply channel is to be compelled to take water, &c. &c. *ad infinitum*.

I see no means of framing the clauses of a contract in such a manner as will reconcile the rights of the Government as proprietor of the water, as landlord of the estate, and as protector of the rights of its subjects, with the claims of a company whose only object is to make as large a profit as it can upon the capital it expends.

In our anxiety, a few years ago, to introduce capital, and to hasten the completion of certain works of acknowledged utility, we overlooked the difficulties which we were warned would arise out of the conjoint action of the Government and the company in dealing with questions relating to assessment of land. I think our experience now is sufficient to justify a statement on our part that the system upon which we have dealt with the company is not likely to be to our advantage, and that we decline altogether to extend it beyond the projects which have been already undertaken and commenced, viz., that of the Madras Irrigation Company, under a partial guarantee, and the Orissa project; and I should propose to word this communication to the company in such a manner as to exclude any proposed extension of their undertakings, under existing contracts. There are two modes in which this or similar companies should be dealt with. They may act either as contractors for the execution of works, in which case they would not be responsible for the plans; or they may agree to carry out a given work for the supply of water to a given district, such water to be delivered at points determined by the Government, and to be paid at a fixed price per 100 cubic yards, or for any selected amount of measurement; it will then be for the Government to determine the quantity it can profitably employ at each issue from the canal, and to state the maximum it will pay for under any circumstances, and the minimum which the company must be bound to deliver. The company should have nothing to do with the profits of the application of the water.

Enclosure 7, in No. 1.

Dated 28th January 1864.

MINUTE by the Honourable *W. Grey*, Member of the Council of the Governor General.

UPON the general question of entrusting works of irrigation to private companies, I entirely agree in the views expressed by the late Governor General, in his Minute of September the 12th.

I have never been able to understand how, in this matter, the State can effectually secure the interests of the landowners and cultivators, without imposing such conditions and restrictions on a private company, as must go far to neutralise all the advantages which are supposed specially to appertain to the execution of great works by private enterprise.

To the co-operation of private companies in such works, in the manner and to the extent suggested by Sir William Denison, there can be no objection; and I do not understand Sir Robert Napier's view to go much beyond this, except that he would give the Company "a fair share of the proceeds" received by the Government from the sale of the water, instead of paying them "a fixed price."

I wish to state my entire concurrence in the opinion expressed by Sir Robert Napier, in the latter part of his Minute, in regard to the capacity of Government to execute works
of

of this nature, and as to the expediency of raising funds, if necessary, expressly for the purpose.

Under a proper and well-regulated system, I am convinced that the capacity of the Government, in this country, for the construction of large public works is limited only by the extent of the funds it can command, and I can by no means admit that the practical working of a proper and well-regulated system is correctly described by the statement that "the ultimate direction and revision (of all public works) must be concentrated in one superintending office," meaning, I presume, the office of the Secretary to the Government of India in the Public Works Department.

Such a statement implies the permission of far less freedom and independence of action to the local governments, than it appears to me ought to be conceded to them in respect of the execution and the direction of public works.

Enclosure 8, in No. 1.

Dated 26th March 1864.

MINUTE by His Excellency Sir *John Lawrence*, K. C. B., Governor General of India
in Council.

I HAVE had the advantage of reading and considering the different Minutes which have been written on canal irrigation. This is one of the most important questions of the day, and on its right solution, the interests of the State and the comfort of the people will very much depend. The point under discussion is, whether the construction of canals, and the diffusion of irrigation over the thirsty plains of India shall, as a rule, be retained in the hands of the State, or made over to the enterprise of private companies. There are special advantages, and certain drawbacks to both systems.

2. Wherever the Government can and will undertake such works, I am distinctly of opinion that this is the right course. I feel persuaded that such would be the view of the mass of the agriculturists. The people are accustomed to see the Government undertake such works, and its peculiar interest in the shape of land revenue, in all matters connected with the soil, naturally points to such a policy as an important public duty. Many questions in social life, and many more connected with the land, will from time to time arise; in which the interests of the people and those of a private company will be in conflict. In such cases the State would deal more leniently with private interests than a company would usually be willing to do.

3. Then, again, it is of much importance that the State should not forego the great financial advantages which would accrue from well-considered and well-executed irrigation works. India is on the whole a very poor country. The mass of its people enjoy only a scanty subsistence. They are impatient of taxation, except where it is of that peculiar nature to which they have long been accustomed. The tendency of new modes of taxation is to irritate, and even to oppress. We ought to avoid, so far as may be practicable, such fruitful causes of discontent.

4. On the other hand, the expenses of the State are sensibly increasing, and a considerable portion of our revenue is of a precarious character. All changes, all improvements, usually end in a demand for increased expenditure; some reforms even necessitate a loss of revenue.

5. Now, if such be the case, surely it is a most improvident arrangement making over all the advantages derivable from our magnificent water supplies in India to private enterprise. Those profits under a provident system of management are certain to be large. Water-rent is the one mode of taxation, which, if equitably administered, is sure to be popular. For, for every rupee in this shape, which the State need take, in order to raise a handsome revenue, we may put at least two into the purses of the agriculturists by constructing a canal. But all this source of revenue is lost, when the works are constructed by a private company.

6. It is perfectly true that the State indirectly benefits by the expenditure of capital in such enterprises by private companies; but this gain is small, compared to that which flows from works constructed by itself. The increase of wealth among the agriculturists, no doubt, gives stability to the Government, and security to the land revenue, but it does no more. When additional revenue is required, it is very difficult to devise means of raising it without causing discontent. The customs do not yield $2\frac{1}{2}$ millions sterling per annum; the excise scarcely gives $1\frac{1}{2}$ millions, while the tendency of the system has been to demoralise the people.

7. If, however, it be decided that the State shall reserve to itself the construction of the different works of irrigation which India requires, we should lose no more time but commence with earnestness and vigour. We must gradually organise a regular department for this object; we must maintain a proportionate staff of experienced engineers; we must be prepared even to raise money to meet the necessary expenditure. Such a system

cannot be wisely limited to the surplus income of the State. All this, perhaps even more than all this, is required to meet the cost of unproductive but highly important works. We have still to construct new barracks, and improve those now in existence for our European troops; we have to introduce sanitary arrangements throughout the country; we have to open up roads, and subsidise railway enterprise over a vast continent which even yet, when compared to its wants, possesses few means of intercommunication.

8. On the other hand, if Government is not prepared for this course, I consider that it will be better that private companies should be allowed to undertake important works under proper guarantees, and suitable conditions, rather than that such works should not be undertaken at all, or be postponed for an indefinite period. But if this be determined on, the State should share in the profits of each scheme after the company have realised a fair net per-centage on their outlay of capital. It would, for instance, be only an equitable arrangement that, when 8 per cent. on capital had been secured, the surplus should be equally divided between the State and the shareholders.

9. In support of these views, it must be borne in mind that while the company supply the capital, the State gives up its rights over the water supply, besides paying the cost of the land necessary for the works. It may be urged that the State benefits directly from the construction of canals, by the increase of the land revenue from lands, which but for the facilities of irrigation thus acquired, would not be broken up. But, while this would in some cases be the case, in many more the land would gradually be brought under cultivation without the aid of canals. Irrigation, it is true, gives an immense spur to the extension of cultivation, and adds largely to the productive powers of the soil. Without, however, the land and water supply, private capital could do nothing; it is, in short, a case when the benefits are mutual, and therefore, both the State and the owners of the capital should share in the profits.

10. In the articles of agreement under which the irrigational works on the Toombuddra, in the Madras Presidency, as well as those in Orissa and on the Soane are being, or will be constructed, Government have practically waived all claim to a share in the profits. In two out of these three instances, such is absolutely the case, and these instances will for the future be quoted as precedents. It is important then that for the future, care be taken that similar terms be not granted.

11. One of the strongest arguments in favour of the State undertaking works of irrigation, rather than making them over to private enterprise is the difficulty which in the latter case will arise, in coming to such terms as will prevent future conflict of interests, and where such conflicts do occur, will provide facilities for their satisfactory solution. In matters absolutely limited to the interests of the State and a company, arbitration may reasonably be resorted to, but at the outset, it will only be prudent before binding the State, that the terms of agreement be clearly defined, and all doubtful points be placed on a satisfactory footing.

12. But as regards the interests of the agriculturists, it would be impolitic, I may add, it would be unjust that the Government should consent to delegate its authority—to transfer its duties to a private company. The agriculturists will look to the Government for protection, and for the security of their interests. It has been endeavoured in the agreement with the company for irrigational works on the River Soane, in Behar, to provide for all such difficulties, and unless the company ratify these arrangements, I am of opinion that the Government should break off the negotiation.

13. On full reflection it appears to me that the only solution of this question which practically I would recommend, is that the State undertake all the irrigational works it can manage, and be ready to enter into engagements for others with such private companies as may from time to time be willing to enter into what will be considered to be equitable terms.

Enclosure 9, in No. 1.

NOTES on Proposals to carry out Irrigation Works by the agency of private Companies, by Colonel Strachey, Secretary to Government of India, Public Works Department.

I.—MEMORANDUM on the Contract executed with the East India Irrigation Company for Works in Orissa.

THE contract with the Secretary of State having been executed, it becomes necessary to take measures for carrying out the matters agreed upon in behalf of the Government of India.

No doubt the arrangement of all details will be placed in the hands of the Government of Bengal, and it might indeed have been a preferable course if the Lieutenant Governor had executed the deed. The Government of India will, however, probably desire to inform the Lieutenant Governor of the views it entertains generally on the subject of the contract, and suggest, for his consideration, the course now to be adopted.

To

To enable His Excellency to obtain a general view of the nature of the contract, I will mention concisely its main features.

The deed begins by reciting the Company's general powers under its Act of Parliament, and states that, it having offered to construct irrigation and navigation works from the rivers Mahanuddy, Byturny, and Brahmany, and a navigable canal from Cuttack to Calcutta, the Secretary of State has agreed to these proposals, under the terms that follow.

On enquiry from Mr. Cowie, the Advocate General, I find that he is satisfied that this general stipulation will in no way prevent the Government from allowing other persons to undertake similar works too, or from undertaking such works themselves. There is no promise anywhere to exclude other persons. This is satisfactory, as in other points the powers of the Government are not quite so large as might have been wished.

The first clause of the covenant is that the Company shall, within a reasonable time, cause surveys, designs, &c. of their proposed works to be made and submitted together, or in portions, to the Government for approval; the Government having a power to order such modifications as they think desirable.

Under this clause the Advocate General observes that if the company should not use "convenient speed" in preparing their projects, the Government might, if so disposed, refuse to receive them, and so virtually terminate the contract. This also is an important point.

The second clause, that after the plans have been approved, and the price of the water fixed, the Government shall provide the necessary land for the works. The land required for actual canals, and their banks and feeding channels or supply tanks, or reservoirs, also for any necessary embankments or dams, shall be provided by the Government, free of cost. All other land, as for buildings, warehouses, plantations, or any other subsidiary purposes of any sort, will be paid for by the company. Temporary occupation will be given where necessary, the company restoring the land when done with, and paying for all deterioration.

Under this clause it becomes necessary for the Government to arrange, at an early period, for fixing the price of the water. The stipulation is not absolute that the price must be fixed at once; but it is an implied obligation, and no doubt the Government will proceed with the necessary measures for settling the price without loss of time. This point will be more specially referred to again hereafter.

As to the provision of the land, the Advocate General informs me that he is clearly of opinion that it cannot be taken up under the Act (VI. of 1857) that provides for the taking of land for public purposes. The condition named in that Act is that the land shall be taken, at the public expense, for a public purpose. Here a great deal of the land will be paid for by the company, and the profits of the whole undertaking will probably always go to them also. Considering that the contract under which this land is to be given has been executed, it is likely that a special Act will be necessary to meet the case. In dealing with any fresh questions of the sort it may be unobjectionable to place them under the conditions of a general Act; but no stipulations not found in the contract could well be made now in the grant of land for these works.

The distinction between the two classes of land to be given to the company it is important to bear in mind; an oversight on this point has led the Secretary of State into error in his remarks regarding the proposal made by the company to undertake works from the Soane.

The mode of paying for the land by the company will be further alluded to hereafter. Here I would point out, however, that in giving possession of land paid for, the nature of the tenure must be stated. It seems to have been contemplated by the Government that the land should be held on the general terms of other holdings in the district. (*See office note, dated 23rd November 1860, with Lord Canning's remarks.*)

Clause 3 provides for the company executing the works with all convenient speed, under the inspection of Government officers. Necessary modifications may be suggested on either side, and the company binds itself to reconstruct anything substantially contrary to the plans approved by the Government.

This clause calls for no special comment.

Clause 4 provides for the opening of the works when their completion is certified, under the authority of Government.

Clause 5 declares that the company will provide proper plant and machinery for all purposes of the works.

These call for no remark.

Clause 6 provides that when the works are completed, the company shall sell the water for irrigation to the Government, and that the Government shall buy all the water that cultivators desire to use at the prices fixed. The company agree to supply water to all persons as directed by the Government. The Government, while it thus acts as the intermediate agent between the company and the cultivators, is only to be responsible for the net return from the sale of the water, all expenses incidental on collection of rates or on distribution of water being deducted from the gross receipts of the Government. The deduction on this account may be commuted into a per-centage if so agreed.

In this clause there are some words the meaning of which it is difficult to make out; they are: "any extra amount of the ordinary charges of the Supreme Government," and

refer to what may be deducted from the gross receipts, besides expenses of distribution of water, and collection of its price. Possibly they have reference to a following clause, No. 12, under which the Government has a right to take possession of money received for water on account of any expenditure for repairs which it is authorised to execute under certain conditions. It does not, however, much signify what is meant, as the remaining words are satisfactorily comprehensive.

Clause 7 makes the navigation of their canals with their own boats dependent on the discretion of the company, but provides that, so far as their means admit, they shall carry mails and post office servants free of charge; also soldiers, and artisans in Government employ, and stores, at such rates as may be agreed to from time to time, in preference to all other persons.

This calls for no remark.

Clause 8 gives the Government the right of purchase, to be exercised for six months after the expiry of the 20th, 30th, 40th, and 50th years of their occupation. The Government agree to pay the value of the company's entire capital stock at the mean market rate of the shares in London for the last three years of occupancy. The Company making over any surplus capital not spent, and the Government paying all outstanding claims on account of the works.

Regarding this clause, it may be observed that it provides the only means of terminating the contract, there being no covenant for re-entry at the end of any term, or on breach of covenant. Also, that the power cannot be exercised before the 20th, or after the 50th year.

Clause 9 fixes the manner of determining the price to be paid for the water. Two arbitrators are to be named by the Government, and two by the Company, and they appoint an umpire. The decision of the arbitrators to be final, or, if they do not agree, the umpire will settle the matter.

Of this it has to be said that it is not mentioned whether the price may be varied when once fixed; and if so, how. Nor is anything said of the manner in which the price should be fixed. Doubtless, with the assent of both parties, the price can be varied at any time. As to the principles to be followed by the arbitrators acting in behalf of the Government, it may be presumed that the Government may fairly instruct them as to the nature of the matter entrusted to them, and as to what they should generally consider, and what points are not involved in their arbitration. Where the whole scope of the decision is left so perfectly open, instructions of some sort will probably be essential. It will, however, be more convenient to consider this point more in detail hereafter.

It is to be observed that, although the contract places the determination of the price in the hands of arbitrators, and thus, in a measure, suggests indirectly that this price is a matter which the Company is interested to raise, and the Government to depress, it is, in fact, hardly the case. The Government, in truth, has as nearly as possible, nothing that could be called a pecuniary interest in the question. It is as much an object to the Government that the Company should succeed, and make a good thing of its speculation, as it is that the cultivators should derive advantage from the use of the water. It seems almost certain that the Company will be forced, eventually, to sell the water at a price that shall admit of a free use of it for cultivation; and this almost of necessity implies a moderate price. The Company cannot afford to go on for a series of years waiting for the gradual development of irrigation at high rates; and, unless the agricultural population of Cuttack differs from that of all other parts of the world, and of India notably, it will be extremely difficult to develop irrigation rapidly where it has not been practised before, excepting at moderate rates. It seems, therefore, most probable that whatever rate is fixed at first, if it be really too high, it will be reduced to a fair level by the Company in self defence.

The real power that the Company would have to act injuriously, would be in raising the rates gradually so as to rack-rent the cultivators. The system of fixing the price, as now arranged, will completely meet this difficulty, I think, and all that will be necessary will be for the Government to say that the price once fixed may be lowered as much as the Company desires, but once put down, must never go up again without the assent of the Government. The certain tendency of things is for prices generally to rise, and the Company have, in striving to make the best possible bargain for themselves, overshot the mark, I think, and, in fact, given the Government what will virtually be a complete check on exorbitant charges, if care is taken in the way noticed above. Naturally, the Government would assent to any reasonable increase of the price of water, which should, at any future time, be really equitable.

The real function of the Government arbitrators, then, in this matter, will be chiefly to advise the Company's arbitrators to fix a moderate rate which may really be effective.

Clause 9 A. declares that the charges for all other uses of water, besides irrigation, shall be fixed by an Act of the Legislative Council of the Governor General of India.

Clause 9 B. provides that nothing in the former clause as to price of water for irrigation, shall prevent any improvement in the method of selling the water either by lease or otherwise.

These call for no remark other than to point out that it is not the Bengal Council that is to fix the rates under clause 9 A.

Clause 10 declares that the Company will keep its works in efficient repair, and calls for no remark.

Clause

Clause 11 provides for the disposal of profits. The first charge against income is maintained; next, a reserve fund of 10 per cent. on the capital; third, the shareholders are to get five per cent. on capital; then any excess is to be divided equally between the shareholders and the Government for the purpose of paying off the cost of the land provided by the Government, which the Company is bound to pay for under clause 2. And, lastly, when the net profits exceed 25 per cent., the excess shall be shared equally between the Company and the Government.

The substance of this clause is quite unobjectionable, but it is badly worded, and from its indistinctness the Secretary of State has been led into the error before noticed, regarding the payment for land. Further, it calls for no comment.

Clause 12 empowers the Government to undertake, at their own cost, the repair of any portion of the works, if the Company leave them in bad condition, or to provide machinery or conveniences that may be requisite, and to deduct from the money which passes through their hands as the price of water, any sum thus spent.

Regarding this clause, it may be observed that it gives the Government no lien on revenue, derived from the navigation or other works of the Company, but only on the money received as water-rates, so that there might be a doubt whether the Government could recover from such revenue before the shareholders took any profit. But as the first charge against all income is maintenance under clause 11, it may be presumed that the Government claim would come under this head, so far as it concerned repairs. But, as regards the provision of anything not in the nature of repair, it is doubtful. The point, however, is not of present importance.

Clauses 13 to 18 declare how matters in dispute shall be settled by arbitration.

These call for no remark, excepting that the power given in clause 17 to the arbitrators to call for any documents they may think necessary, which at first seems dangerous in a contract with the Government, is explained by the Advocate General, as limited by the general law of evidence (Act II. of 1855), under which a witness is not bound to produce any document relating to affairs of State, the production of which would be contrary to good policy; and the Government, it seems, determines the fact for itself.

Clause 19 lays down, that documents signed by a secretary to Government, or by any other person, properly authorised, shall be binding on the Company.

Clause 20 states, that the Government will co-operate with the Company in procuring such Acts of Parliament, or of the Indian Legislature, as may be necessary to give effect to the contract.

Clause 21 determines that the Company shall keep a duly authorised agent at Calcutta, or such other place as may be agreed to, and that his acts are to be binding on the Company.

As regards this last clause, the Company has not yet complied with it, having sent to Mr. Boothby a power of attorney that authorises him to do whatever they tell him to do, which of course is useless, as regards his dealings with the Government, he must simply be appointed as agent under the 21st clause of the contract.

The Lieutenant Governor of Bengal will, I presume, arrange with Mr. Boothby where he shall reside.

I should suggest that it would be useful in sending a copy of the contract to the Lieutenant Governor to make remarks something to the above effect on the clauses submitting a draft of the letter to the Advocate General for correction before it is finally despatched. It can hardly fail to be useful to the Lieutenant Governor to have the salient points of the contract thus discussed under the advice of the Advocate General.

Besides the special Act to provide for the taking of the land for these works, further legislation will, I conceive, be necessary to regulate the power of the Government to levy the water-rate from cultivators using water. I presume that the summary process for recovering arrears of land revenue with any suitable modifications, would be the proper plan to adopt. But there is no particular hurry as to this matter, and it may better be referred generally to the Lieutenant Governor for consideration, together with the closely allied subjects of the provision of a police to prevent the illicit use of water, and of a legal power to deprive a cultivator of water for certain offences. The North Western Provinces Canal Acts and the customs of Madras (where, I think, they still go by rule of thumb) might be suggested as useful guides in dealing with this matter.

The Lieutenant Governor also will have to arrange the system under which he will, for the present, communicate with the agent of the company. With respect to this, as the contract only names the "*Supreme Government*" as the representative of the Secretary of State, it will doubtless be necessary to inform the agent, *when he receives proper power*, that the Government of Bengal is fully authorised to act in behalf of the Government of India and Secretary of State.

For convenience my remarks regarding the fixing the price of water will be in a separate note.

2.—MEMORANDUM on the Proposals of the East India Irrigation Company to Undertake the Soane Project.

IN March last the Government of India addressed the Secretary of State, suggesting that the project for canals from the Soane, drawn up by Lieutenant Colonel Dickens, should be offered for execution to capitalists on terms analogous to those given to the East India Irrigation Company for their Orissa Canals. It was pointed out that the

question of profits, which had caused no little difficulty in the former case, was here very much simplified, as the perpetual settlement put out of the question any sort of profit other than that to be got by the sale of the water.

The terms offered by the Government were the following :

- 1st. The works to be carried out in accordance with Colonel Dickens' project, subject only to such modification as might be agreed to.
- 2nd. The Government to give, free of charge, all land for the permanent works.
- 3rd. Water to be sold only through the medium of the Government.
- 4th. The price to be settled by arbitration or agreement, the Company bearing cost of collection.
- 5th. The profits to go solely to the company till they reach 20 per cent., above which to be shared by Government.
- 6th. The Government to have the right of purchase at certain fixed periods.
- 7th. Navigation tolls to be settled by Act of Bengal Legislative.

It may be specially noted that, though these terms are very nearly those given in the Orissa deed, there is no direct allusion to that contract.

The Secretary of State has recently informed the Government of India that the East India Irrigation Company had offered to undertake the Soane Canal project on terms embodied in a draft contract submitted to the Secretary of State. The terms of this contract, it is said, are in most respects, substantially the same as those offered by the Government of India, the only important difference being that whereas this Government had offered to give the *land free*, and to come in for profits in excess of 20 per cent., the company had proposed to *pay for the land*, and to take all profits up to 25 per cent. This proposal of the company's the Secretary of State thought preferable to that of the Government of India. He said so much to the company, but told them they had better communicate with the Government of India by which any contract would be executed, adding, that he hoped the arrangement might be concluded on satisfactory terms to all parties. The Secretary of State leaves the matter in the hands of the Government of India.

The company has accordingly addressed the Governor General in Council, and has forwarded the contract it proposed, not in draft, but ready executed in duplicate.

On examining the deed, however, it at once was apparent that the essential condition of the Government of India, the execution of Colonel Dickens' project, was not to be found in it. On the other hand, the company proposed to enter upon an investigation into the rivers Soane and Tonse, and their feeders, and to execute such works as to them seemed good. On looking closer it appeared that, in their letters to the Secretary of State they had in like manner, apparently purposely, avoided any proposal to take up Colonel Dickens' project. They refer in their first letter to a "*certain scheme*" (meaning Colonel Dickens' designs) into which they had partially inquired, and from which they had been led to infer that extended works in the province of Behar and the neighbourhood might be a profitable investment. Henceforth, we find no allusion to Colonel Dickens or his project, but only the proposal to take up works generally in the districts to which they refer *on terms precisely the same* as those contained in the contract for the works in Orissa.

The Secretary of State, in replying to the company, speaks of their proposal for "the execution of Colonel Dickens' Soane Canal project." Their last letter again avoids all allusion to Colonel Dickens, and repeats the former idea. But, in the last letter of the Secretary of State to the company (which has not been sent to the Government of India), a copy of which was shown me by Mr. Boothby, the agent here, the thing to be done was again most specifically said to be Colonel Dickens' project, and I was instructed by the Government to inform Mr. Boothby that the Government of India will only treat for the execution of Colonel Dickens' project as at first proposed.

Mr. Boothby, under instructions given by His Excellency the Governor General, came to Calcutta to discuss this matter, and the above determination was mentioned to him. He at once acquiesced in its reasonable character, but stated that he was not authorised to make any change in the terms of the contract which the company had sent out for acceptance. Under these circumstances I informed him, with the permission of His Excellency the Governor General, that the Government would, as early as possible, draw up the terms of a contract to which they would agree, and send a copy of it to the Secretary of State, so that, if approved by Her Majesty's Government, it might at once be executed by the company if they accepted the terms offered; and that, on receipt of the deed executed by the company, the Government of India would execute a counterpart and send it to the company.

Following the clauses of the Orissa contract, the first change will be in the preamble, in which the company will be said to have proposed to undertake a general preliminary investigation into Colonel Dickens' project, and if they appear satisfactory, to construct works for irrigation and navigation, &c., in general accordance with that project.

As, however, an engagement of this sort is very loose, it would be expedient to add a clause, declaring that if the company have not come to a satisfactory determination before a fixed date, say, 1st January 1864, the whole thing shall fall to the ground.

Under

Under clause 1 of the contract, which provides for the preparation of the plans for approval by the Government, I should propose to add that, when an approval had been so given to any specific work or portion of the project, it should be recorded in a schedule, with suitable plans annexed, and that these documents should be duly attested, and henceforth read as part of the contract. This will be fair both to the Government and the company. As the Government is not bound to keep out third parties, it will be but fair to this company to secure to them the use of sufficient water for all works *bonâ fide* undertaken by them from time to time in preference to any persons coming in after them. This point was mentioned by Colonel Rundall, and is a reasonable demand. Such subsidiary agreements on matters of detail may readily be made in the case of the Orissa works too.

Under clause 2, which provides for the company getting land from the Government, I should desire to insert a stipulation that it should be in *due course of law*, and to make the company come in like all other persons under the general law. The Act to take land for railways, &c., will be passed, it is hoped, before the contract is executed, and the fewer exceptional cases there are to the general law the better. Otherwise this clause seems unobjectionable.

Clause 3, regarding the construction of the works, is unobjectionable; also clause 4, regarding their opening; also clause 5, regarding the provision of plant or stock.

Clause 6 will require alteration; it is in one place unintelligible; its general scope, however, is quite free from objection, and only verbal alterations will be called for.

Clause 7, regarding navigation, may stand. There is, however, rather a curious agreement in it. The persons who are to have a priority of enjoyment of the use of the company's boats, if ever they have any, are to be troops generally, all persons under the Mutiny Act, and all *artizans on the business of the Government*. It is difficult to understand what could have put such a thing as this last into the heads of the persons who drafted the original contract. Should it be struck out? The mails and post office servants go free.

Clause 8, regarding purchase, is unobjectionable.

Clause 9, regarding the price of the water, should, I think, be made rather more specific, as to the conditions under which the price may be modified. I see no objection to allowing the company to *reduce* the price as much as they wish with the assent of the Government; but, having once lowered it, it should not be allowed to be put up. Also, I think it might be left open to either party to claim a re-valuation at the expiry of, say, five years from the last valuation.

And, finally, any price might be allowed to be charged that was mutually agreed to. As the clause stands, it might be doubted how far this could be done now, more particularly if any power is given to Government to recover arrears by legal process, which will almost certainly be essential.

Clause 9 A calls for no remark, unless it be that the Bengal Legislature may be substituted for that of the Governor General.

Clause 9 B may better be added to clause 9, of which it really is a part.

Clause 10, binding the company to keep their works, &c., in repair, may stand.

Clause 11, which declares how the revenues shall be applied, will require some modification. As it stands the money expended under the following clause for repairs is only repayable out of the water rates, and does not form a first charge against *all* revenue as it certainly should. Again, the definition of the land for which the company is to pay is very obscure, and has led the Secretary of State into the mistake of thinking that the company had proposed to pay for *all* the land. This, too, should be corrected.

The company propose to retain the 25 per cent. as their share of the profit before the Government comes in. I see no reason for receding from the 20 per cent. named by the Government of India in their despatch to the Secretary of State.

Under clause 12, which gives the Government the right to repair at their own cost, and to recover the money from the water-rates, it might be better to add, as above stated, that any sum not immediately covered by the water-rates should be recoverable from other income.

Here I should propose to introduce a clause providing for the re-entry of the Government in case of breach of contract. Such a clause might reasonably provide that all land made over to the company free of cost should revert absolutely to the Government with all fixtures to the soil, and the Government might also fairly claim to take possession of stock on the premises to make good any debts of the company to the Government. The Advocate General thinks this quite reasonable, and Mr. Boothby and Colonel Rundall had no objection to offer.

The arbitration clauses may stand as they are, as well as the final general clauses.

Certain verbal alterations are suggested in various places, on the propriety of which the Advocate General may judge.

It will probably be the most convenient course to address the Advocate General on the

subject of the modifications suggested in the contract, informing him of the general wishes of the Government, and requesting him to submit a revised deed to meet them.

It would also probably be as well to send copies of the deed and the letter to the Advocate General, to the Lieutenant Governor of Bengal, asking him for any remarks he desired to make. I would suggest this course, as it is very important to get the matter settled quickly, so that the coming cold season shall not be lost for the surveyors of the company. If the reference to Bengal were to precede or follow that to the Advocate General, much more delay would occur. Mr. Boothby was most anxious for an early decision.

I should also request permission to inform Mr. Boothby, generally, of the course to be followed, and to report progress to the Secretary of State.

3.—MEMORANDUM on Mr. *Bourne's* Proposal to form a Joint-Stock Company to carry out Irrigation Canals in the *Punjab*.

THESE papers have been sent to this Department, from the Foreign Department, for report.

Two questions arise in considering them :

1st. Is it generally advisable to entrust such works to the agency of joint-stock companies ?

2nd. Are the specific proposals of Mr. Bourne such as can be countenanced by the Government ?

On the first point much discussion has taken place, and the general conclusion has been, that there is no objection to the construction of irrigation works, by private companies, under suitable regulation. The arrangements actually completed with the East India Irrigation Company for the Orissa Canals, and the offers made as to the Soane project, still under discussion, sufficiently attest the policy that has been adopted by the Government of India on this point, and there is, I venture to think, no reason for receding from it.

I am well aware that it is the opinion of many persons that irrigation works, in consequence of the administrative difficulties that they involve, should be exclusively constructed by the Government. But the importance of opening every door for the influx of English capital into India is so overpowering, and the opportunities of offering so good a prospect of fair returns for outlay are so few, that there can, I think, be no doubt that the Government will be doing what is most politic if it admits such companies into the field for the execution of this class of public work. All that is necessary is, to take suitable precautions to ensure the essential points to be aimed at, and a way may be found, I am convinced, of getting over all the difficulties that have been raised.

At the same time, I am very decidedly of opinion that the precise form of agreement, entered into on former occasions, is not at all to be recommended in future cases. My objections to the Orissa deed have already been put before the Government in detail, and some effort has been made to remedy them in dealing with the Soane project. But it seems to me, that in future a different sort of agreement altogether is expedient, one that strictly and plainly defines the exact position of the Government and the company, and their relative duties and rights, and that leaves nothing that is important undefined, and therefore liable to cause disputes hereafter, as unfortunately is too much the case in the Orissa deed.

The great principles that seem to me to require to be kept in view in an arrangement of the sort under discussion are as follows :

1st. That the actual distribution of the water to the cultivators, and the realisation of the charges for it, with the contingent duties involved in these functions, shall essentially and completely be undertaken by the Government on its own responsibility, subject to the check to be hereafter mentioned.

2nd. That the construction of the works and their maintenance shall be entirely carried out by the Company's officers, subject to the general approval of the Government to the designs of the works and to a power of inspection by Government officers, and a right to insist on necessary repairs, &c., being undertaken.

3rd. That a certain fixed rate of interest shall be secured as a first charge on all profits, to pay a dividend on the money capital of the company invested in the concern.

4th. That all profits in excess of the above shall be divided, in proportions to be named in the agreement, between the Government and the company.

5th. That the Government, in consideration of the grant of the water, and of the facilities it will give for the sale of the water to the agricultural community, shall have a tangible and not merely a nominal share in the net profits.

6th. That the price to be charged for the water shall be settled by mutual arrangement

ment between the Government and the company; any difference that cannot be reconciled being settled by a reference to arbitration.

7th. That the price of the water to be fixed from time to time shall be reckoned on its probable average value as a means of irrigation, having reference to the actual previous condition of the land to be irrigated, and to the legitimate charges upon it, including the land revenue for the time being. In like manner on any subsequent re-adjustment of the land revenue, the existing charge for water for irrigation at the time of re-settlement to be looked on as a rent-charge to be set off against the gross produce of the land, before estimating the claim of the Government for land revenue.

8th. That all matters affecting the pecuniary interests of the company, such as fixing salaries of establishments, making demands for water rates, allowing remissions for any causes, and the like, which devolve on the Government, under general powers claimed under Clause 1st, shall be submitted to an agent of the company, for previous approval by the officer appointed to represent the Government. The consent of these two to be final; any difference of opinion on the requisition of either, to be submitted to the local Government for decision, on which action may be taken. This not to bar the right of the company to refer matters in dispute to arbitration.

9th. The company to have a right to claim, at any time, a general investigation by a commission, in which the company and the Government shall be represented, a general inquiry on the management by the Government of the interests committed to them. The commission to report its conclusions to the Government of India; and the whole of the papers, with any orders of the Government of India, to be sent in regular course to Her Majesty's Secretary of State, whose authority shall be final in all disputed points raised by the commission.

10th. The company's works to be executed under the general provisions of the Act lately passed to regulate the construction of the public works by private companies.

The first clause of the above must, as it seems to me, be taken, for the present at least, as a necessary basis of all these discussions; and one that will be so commonly and readily admitted that I need not say more about it. I would only observe that, under such a system as is here proposed, the Government officers could, by degrees, as the country became fit for such a solution, and as the rights of the cultivators to enjoy the use of the water became established on a fixed basis, take up the position of special judges of irrigation law, and drop entirely all detailed administrative interference with the actual works of irrigation. Until a custom in such things has been established on an equitable footing, I do not think that Indian cultivators could properly be left face to face with English speculators, holding in their hands the power of granting or withholding the means of irrigation, stimulated to exact as much as possible by their love of gain, and controlled only by their own sense of justice. It may be remarked that this stipulation is inserted in the Orissa agreement, though it is hardly plainly enough worded.

The 2nd clause calls for no remark.

Clauses 3, 4, and 5 are somewhat new in their form. They are based on the conviction that to insure real harmony of action between the company and Government, there must be real unity of interests. Further, that if the Government does not have a direct and tangible share of the profits of such works, after giving a reasonable first share to the capitalists who have subscribed the money, there will be an inevitable tendency for the company and the Government to disagree on all money questions. Under such conditions as are given in the Orissa contract, the only interest that the Government or its officers can have is to see that the cultivators get water on the most moderate terms, and in the most commodious manner possible. The powers of the Government as to the distribution of the water and the collection of the water rates are very large. There will be very little immediate inducement to the Government to conduct this business, which will be at the charge of the irrigation company, on very strictly economical terms. The plain interest of the company is to spend as little money as possible, and to do as little work as possible, compatibly with distributing the largest possible quantity of water their works will supply. An obvious divergence of interests consequently appears, which will be further increased when the discussions being as to the rates to be paid for the water.

Of course the view I have taken is further supported by the plain equitable right of the Government to claim a real share in the profits of a concern to which they, as administrators of the public possessions, contribute both the water and the means of applying the water to purposes of irrigation. Nor does it seem to me a healthy system to adopt for the Government to abandon such an immensely valuable property as the running streams of the country of which they are by established custom the proprietors, to private speculators, merely for the sake of forcing on the construction of irrigation works by a few years. It is vastly more important to the country that these operations should be carried out on a really solid and satisfactory basis, than that they should be begun this year or next. Nothing could be more deplorable than any collision between the Government and a company entrusted with the management of works of this class.

The 6th clause, as to the price of the water, calls for no remark, excepting that when the Government had a direct interest in the revenues of the company, the risk of difference of opinion as to the charge for the water would be much diminished.

The 7th clause contains a new idea of considerable importance. The question has before been put, what will happen under the Orissa deed when a new settlement of land revenue is made? And no very obvious answer has been forthcoming. The Government in Orissa has renounced its claims to participating in any profits derived from irrigation. Has it then a right to increase its land assessment after irrigation has been introduced? The solution of this difficulty may, I think, be quite met by the view I have taken. The price of water will always be settled, having regard to the land assessment for the time being, and to the conditions under which profit from the cultivation of land is obtained by the cultivator. Moreover, it will be an average value that will be taken as the price, so that it will be for the time fixed for a whole district, or at all events a considerable area. Under these circumstances, if a fresh settlement be desired, the water rate on irrigated land will be properly looked on as a charge already existing; and to be taken into consideration in the light of an admitted rent charge, in estimating the net profits to the cultivator on which the Government claim should be calculated.

The principle might of course be applied in Orissa (and I think should be), but where the Government participation in the profits from irrigation was ostensible, the risk of extreme views being put forward of Government claims on account of land revenue in complicated cases (which perhaps might arise) would be greatly reduced, as the settlement officers would feel that the advantage, if not got in one quarter, would come in from another.

I have all along spoken of the interests of the Government in these pecuniary questions in the only practical way in which they can, I think, be treated. The officers of the Government will not in fact view these sort of matters with calm and philosophical indifference, but will certainly import into their consideration of them the feelings that may properly actuate men anxious to advocate the claims of a special class peculiarly under their protection, and peculiarly liable to be hardly dealt with if not protected. I have no intention of suggesting that the agents of the company will be avaricious and grasping, or that the officers of the Government will be desirous of repudiating the pledges given by the Government, but they will both be human, and will be actuated by human motives and liable to human errors. To guard as far as possible against the dangers that seem to me so likely to arise from these causes, it is in my opinion most important in all points to foresee and guard against grounds for collision, and to secure the most perfect identity of interests practicable.

Clauses 8 and 9 propose to offer suitable checks on the Government administration of that part of the concern that of necessity is retained in their hands. By causing the Government officer to obtain the assent of the company's agent in all matters of a pecuniary character, or to refer for the orders of Government, where that assent was refused, a reasonable check on individual acts or measures, involving undue outlay, would be established. To secure a fair general system, the power of obtaining a formal inquiry might be given, which would bring to bear on the Government the only real force that could be usefully applied, that of public opinion.

I may add that the above remarks are the result of a good deal of consideration and discussion with various persons. Amongst others, I have consulted Mr. Muir, of the North Western Provinces Revenue Board; also Mr. Wingfield. I have explained my general views to Mr. Bourne, and he seemed to think them reasonable, and such as would be acceptable as a basis for the formation of a company such as he has projected.

It may further be remarked, that the agent of the East India Irrigation Company, Mr. Boothby, has asked the Government of India to state its views as to the terms on which it would allow that company to take up irrigation works in Oudh. He has been told that the matter will be considered, and the decision now to be come to may, therefore, be conveniently taken as a basis for general action in reference to this class of work.

A question of this importance may probably be well referred to the Secretary of State for his opinion before final conclusions are adopted; it will certainly be right to consult the Council. Hence, if his Excellency the Governor General should concur in the general tenor of these remarks, it may be expedient to inform Mr. Bourne that his general proposal is one that the Government of India are ready to entertain, and that its views, more in detail, will be communicated to him hereafter. Mr. Bourne has informed me privately that he will be glad to hear thus much as early as possible.

The second point involved in the specific reference from the Punjab Government, is the exact project put forward for a canal to be taken from the Chenab. Of the general practicability of such a work there can be no question; equally none of its vast benefit to the Punjab. If it could be arranged with the Maharaja of Cashmere to give us a head for the canal at the point the engineers think most suitable, it would be well worth the while not only of the company, but of the Government to pay a round sum for the concession, if it could not otherwise be managed by negotiations. It is not possible for me to say what would be the fair money value of the concession, but it might readily be estimated by the canal officers of the Punjab Government, if the Government found themselves in a position to require the information. I think it would be a matter for lasting regret, if every effort were not made at the commencement, to induce the Maharaja to assent to such a canal being taken from the best point on the river in an engineering sense.

FURTHER MEMORANDUM on the Proposals of the East India Irrigation Company to Undertake the Soane Project, commenting on the Objections taken by the Directors to the Draft Deed prepared by the Secretary to Government of India, Public Works Department.

IN October last the Government of India had under its consideration the proposals made by the East India Irrigation Company, to take up works to be supplied from the River Soane. I was instructed to draft a contract to carry out the views that had been generally approved by the Government, in the rough. This was done, and the draft, after various modifications, was revised by the Advocate General, and finally read over by him, in company with me, a few days before his Excellency left Calcutta.

Meanwhile, a copy of the draft contract in its earliest shape had been given by me to the company's agent, Mr. Boothby, who sent it to England. The Board considered the draft, and have written at length to explain their views on the subject.

The letter of Mr. Westwood (the secretary of the company), on the subject reached me some days after we had left Calcutta; and as the Board take serious objections to many parts of the draft contract, it was obviously necessary to submit the whole matter to the Government again before taking any further steps in relation to it.

It may be first remarked that the final draft, as approved by the Advocate General, though differing in its precise wording from the draft dealt with by Mr. Westwood, is essentially the same in intention; and there will, therefore, be no practical difficulty in pointing out the portions of the final draft that would be objected to by the company and that would be accepted.

It is also necessary to premise that since the overtures of this company were made, Act XXII. of this year has been passed, and must of course be dealt with as forming part of the substantive law of the country, to which the works to be undertaken by the company under any contract with the Government will have to be subject.

The first point of difference between the proposals of the Company and the draft is found in the preamble. It was observed in the earlier note that in all the Company's communications, the mention of any definite project for works was avoided, and words were used the effect of which would be to hand over to the Company an indefinite tract of country in which they were to carry out such works as they pleased. It was then pointed out that the offer of the Government of India was, with reference to a definite project framed by Lieutenant Colonel Dickens, and to nothing more or less. The serious objections to the extremely loose terms of the Orissa deed were also pointed out, and the necessity for having a more definite agreement. Colonel Dickens' project was one that had been matured with much care, and had been generally approved by the Government, and it was this specific scheme that the Government of India had desired to see executed. It seemed very questionable whether the vague offers of the Company to undertake such works as satisfied them, should be allowed to set aside a matured and approved project of an officer whose capacity was highly esteemed by the Government of India. Those views were accepted by the Government, and the draft contract defined the works to be executed as *the projects prepared by Colonel Dickens*.

The Company now state that they object to this restriction, and that they claim for themselves the power of ameliorating the project, or of substituting something better for it; that they would have preferred the larger words in their original draft, which would have assigned an area within which their operations should be carried on, but that they accept the restricted area if the Government insist on it.

The words now proposed are "the project prepared by Lieutenant Colonel Dickens, &c," "either as designed by Colonel Dickens, or with modifications, or if any other arrangement of works effecting the same objects," &c.

Now the essential thing here is that the selection and decision rests *with the Company only*. The Government has no power left it to reject or approve either the "modifications" or "other arrangements."

The force of this claim on the part of the company comes out more clearly in connection with the substantive clauses of the contract.

Clause 1 defines the conditions under which the contract comes into force, the preamble merely stating that a preliminary inquiry shall be undertaken. The Government draft gave a limit of time, and also required a substantial adoption of Colonel Dickens' project.

The company strike out entirely the words defining the nature of the project, so that it rests entirely with themselves to settle what design should be adopted.

Now it is necessary here to observe that Clause 2 gives the Government only a limited power of calling for modifications in the designs of the company's engineers. The words used being "*reasonable variations, omissions, or additions*" followed by "*with reference to the works therein described*" clearly shows that the project as a whole could not be rejected, and that no substantial change could be insisted on.

Thus suppose the company designed works *mainly* suited to navigation and *secondarily* to irrigation, and that the Government thought this wrong, and that the irrigation should be made the dominant idea, the Government would have no right or power to interfere so as to cause a radical change in the designs, and to give the works the character they thought best.

The Government, in my opinion, cannot rightly hand over in such a way as is thus

claimed to third parties merely interested in the way of personal pecuniary profit, the power of disposing at their own will of the means of irrigating a vast tract of country like Behar. It will not do to *assume* the good faith or good sense of the company and its engineers. This is a trust that cannot be delegated by the Government to a company formed to work the country for its own profits.

Again, under the Act before alluded to, the only means that the Government will have of taking land for this company, will be on satisfactory proof being given of the useful character of the projected works. The Government has an important trust imposed on it which it cannot, with propriety, set aside. Before it takes land it must satisfy itself that the object is really one worthy of public aid. It consequently seems to be quite out of the question that this company should be placed in a position to dictate the nature of the works to be executed without reference to Government approval.

On the other hand, it may be at once conceded that there is no necessity for restricting the company to Colonel Dickens' project. The Government were satisfied with that scheme, and would have entered into an agreement *at once* to carry it out. As to any other scheme, it must be submitted and scrutinised in the regular way before any such positive conclusion is come to, or the provisions of the law will not be properly complied with.

Consequently the position seems to be this, that if the company is satisfied to accept Colonel Dickens' scheme, with such modifications as Government will agree to, the contract may be completed at once. Otherwise no action can be taken till the company's project is sent up in accordance with the provisions of Act XXII. of 1863, and dealt with on its merits.

In this sense it appears to me that the position taken up by the company is quite untenable. It is said by the directors that "they cannot agree to any conditions whereby after they shall have incurred a heavy expense in making an investigation avowedly for their own satisfaction only, and to enable themselves to arrive at a decision whether they will proceed or not with the agreement, the Government will have the power to put an end to that agreement, and thus render the investigation made and the expenditure incurred altogether useless. They can make the investigation only upon the understanding that if it is satisfactory they are to be at liberty to proceed."

These claims would, if conceded, hand over to them *absolutely without check* on any folly the waters of the Soane, and whatever land they pleased to demand for their works. That such a concession should have been made in the case of Orissa may be deemed strange, but it is not the least reason for doing this sort of thing again, that it has been done once before.

I should here add that the importance of this part of the contract had obviously been overlooked in the original discussions. It was assumed that the works in the contract would sufficiently enable the Government to prevent any but proper works being carried out. It is clear that Mr. Westwood thinks that the words of the Orissa deed in fact leave the decision to the Company, and so do I.

The remarks made by the directors as to the powers of the Government to call for modifications of detail, and the quotation from Colonel Baird Smith's remarks, seem to me to show that they have in fact misinterpreted his meaning and the intention of the Government, which certainly was to retain a complete power of *preliminary* control as regards the designs and general character of the project, and *subsequently* to give up all interference excepting for the purpose of seeing that the approved designs were not departed from without Government sanction. The clause in the Orissa deed is, as I have said, worded so as to prevent substantial alteration being made by Government. This may have been wished by the company, but certainly was not wished by the Government, whose real object was to obtain a power of *substantial* alteration, if it should be deemed necessary.

As I have already pointed out before, we see in every part of the contract the unhappy results of having left it to be drafted by the lawyers of the company, and this is one specimen.

On the whole, therefore, the only modification of this part of the deed that can be admitted, as it seems to me, is to introduce words to admit of modifications of Colonel Dickens' project, or substitutions for it *that shall be approved by the Government*, instead of restricting the company simply to that project.

The proposed alterations in the part of the new contract, paras 2 to 13, are not important, and call for no special comment.

Paras. 14 to 18 refer to the price of the water, and the manner in which the company is to recover the amount from the cultivators. This is one of the most important parts of the contract, and the chief changes asked for by the company seem to me quite inadmissible.

Para 14 provides for the mode in which the water is to be made over to the cultivators. It is in its general tenor similar to the Orissa clause, but it has been made more explicit, and in consequence the company now objects to it.

The old clause ran thus: And the sums to be paid by the Secretary of State to the Company as the purchase money of the water to be so supplied "shall be the price or prices which shall be fixed as hereinafter mentioned after deducting from the aggregate yearly or half-yearly amount thereof any extra amount of the ordinary charges of the Supreme Government, and the expenses incidental to and incurred by them in the distribution of the water and the collection of the said moneys during such year or half year." And it shall be lawful, &c., "to commute the aforesaid deduction of actual expenses incurred by Government to such a charge by way of per-centage as may be estimated fairly to cover them."

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In the earlier part of the old clause it is said further, the Company shall *supply water* "in such manner and to such person or persons as the Supreme Government shall from time to time direct."

From the context and the nature of the original discussions, it was plain that the Government desired to keep in their power the right to distribute the water and to collect the water rates. It would not follow that they would exercise the first right, but it was claimed and reserved, and the company was declared bound to pay the expenses of these operations. As the wording, however, was confused and obscure, it seemed to me proper to put in plain language what appeared to be the object of the Government. I therefore explicitly stated in the revised draft, that the distribution of the water, the provision of necessary police for the security of the works and water, and the collection of moneys, should take place under officers of the Government, or otherwise under the orders of the Government, at its discretion, at the entire risk and charge of the company.

The directors object to *all* of this detail. They propose to reject the mention of police altogether, saying that this will be for their own consideration. But it seems to me essential that proper custodians for the works shall be engaged, also that some precautions against illicit use of water shall be taken, not only in the interests of the company but of the public. In the first place, the water is given by the Government not to be wasted, but to be used; in the next place, where a supply of water is limited, if one man takes it irregularly, his neighbour will possibly suffer and get none; property of this sort involves duties as well as rights. The administration of this petty police must be in the hands of the Government, and its cost must be borne by the company, as the Government has no pecuniary interest in the works.

As regards the distribution of the water and collection of the price of the water, the company propose to strike out the words that give the Government a complete discretion, and to substitute the following: the distribution of water and collection of all moneys, &c., "shall be made by the officer or officers of the local government who, for the time being, shall be authorised to collect and receive for that government, the land, rent, or tax of the district or districts in which the said works shall be situated, under the orders of the local government, and in such manner as the said government shall from time to time think fit, but at the expense of the company as hereinafter declared and provided."

The expenses are again referred to as to be deducted from the gross price of the water, "after deducting from the aggregate yearly or half-yearly amount all *additional* expenses incurred by the Government of India, or the local government, &c., in or about or relating to all or any of the matters in the previous part of this clause mentioned, &c."

Now it seems to me impossible for the government to accept this limitation of their discretion. It may, of course, be said, as the directors say, that it is hard that they shall be liable to all sorts of expense without being consulted, and to risks in collecting money with the receipt or custody of which they are not entrusted. But, on the other hand, why should the Government be called on to pay for losses which, if they arise, will be compensated by no profits, and how could it affirm that it would only use the agency of the regular land revenue establishments for the collection of the water rates, and to superintend the distribution of the water, which, possibly enough, might be quite unsuitable? Indeed, considering that Behar is under the perpetual settlement, it is most likely that a separate machinery will be essential. Again, if the Government is bound to use *only* the regular establishments, what is the signification of *additional expenses*. The strict interpretation of what is proposed, as it seems to me, would be to leave the whole cost on the Government.

Again, the company proposes the introduction of certain words which appear to me quite inadmissible, though at first sight innocent enough, in relation to the *distribution* of the water. This, as was said, was in the Orissa deed, reserved to be at the discretion of the Government. The company now propose to say: "and the distribution of the water to the cultivators, *if not otherwise arranged by mutual agreement between the Government and the company.*" Now this covertly admits the idea that this matter of distribution is a thing to be subject to *agreement*, and therefore *discussion* between the Government and company. The original idea was, on the contrary, that the power of distribution should rest *completely* with the Government. This was one of the points before held to be essential, together with that of the Government collection of the water-rates.

I would draw attention here to Colonel Baird Smith's words on this point, which are as follows:

"If the transactions of the cultivators *with the Government Superintendents of Irrigation* are to be, as I have no doubt the Government of India will take good care they shall be perfectly free and voluntary, &c.," which shows that he understood the intention to be, that the Government should directly manage all the details of the irrigation. Elsewhere he says, "Government would buy the water in the gross as gauged in the channels, and the whole detail of distribution to separate estates *would be managed by its agents* subject to no control but its own."

These views are strengthened by the following note in Lord Canning's writing on Colonel Yule's remarks: "But the company and the cultivators *'cannot bargain together.'*" See also paras. 5 and 17 of Colonel Yule's letter to Mr. Westwood, No. 3554, dated 3rd October 1861.

And I would remark that it is altogether a wrong turn to give the discussion now to treat of these conditions as mere matters of equal negotiation. The Government has said

that they are willing to hand over the construction of these canals to the company without asking for any share in the profits, on the understanding that these points are reserved. The company may say that such conditions are inadmissible, having regard to their pecuniary interests, but has the Government no right to protect its interests and the interests of the agricultural community? Why should it be called on to incur a certain expense for what, in fact, would be the direct advantage of the company? The company seems to consider that it has established a right to carry out these works, at least it adopts a tone that would only be suitable under such circumstances.

Of course the real essence of all these discussions will be found to be this: Can the necessary securities that are thought essential by the Government in admitting a company to carry out irrigation works in this country, be made compatible with the interests of such a company as viewed by themselves?

The matter will be a difficult one to arrange, without doubt. The proof of this is given by the comments now made on the modified draft, which is designed to define more exactly the meaning of the former rather obscure clause. It is possible that the terms used in the new draft are rather more stringent than is essential, and some relaxation of the terms might be admitted. Some power on the part of the company to remonstrate might be allowed. But, after all, the things in question must be settled either as the Government likes, or as the company likes. If the former plan is adopted, it should be said so in an unmistakeable way. It would be foolish to get over the difficulty by blinking it, and leaving obscure words which the company could, after the very plain and strong assertions it has now made of its views on the subject, at all events reasonably claim to have a right to interpret in its own favour.

In my separate note on Mr. Bourne's proposals to carry out irrigation canals in the Punjab, I have stated my views as to the sort of plan that I think might be adopted in working an irrigation company in concert with a Government administration, charged with the duties of distribution of water and collection of the water rates. It will, however, be unnecessary for me to discuss further how the clauses of the draft contract may be brought more into harmony with the views of the company until the general principle to be adopted is first settled by the Government. If the conclusion which, I understand, to have been arrived at before, and which seems to me the proper one, is maintained, I think the clauses of the revised draft should be insisted on in essentials.

And here the question will naturally occur whether having reference to the differences that have arisen in respect to the first part of the contract, and also as to these clauses, it may not be the best course to break off the present negotiation, or to do what will probably amount to it, viz., simply to insist on the company accepting the draft, or dropping the matter. It is not to be lost sight of, that the Government has rather put itself into a position of disadvantage by declaring that it would give terms in this case such as those given in the Orissa deed. In such an undertaking there can be, as it seems to me, no doubt that the contract should be framed, in the first instance, by the Government in its own interests, and submitted to the company for approval, instead of the converse of this plan. What the Government requires is a specific statement which shall be beyond doubt or dispute of the powers and rights it reserves. The company, of course, wishes to get the most complete freedom possible, and the less the Government rights are defined the better in this sense for them.

And the prudence of adopting this course, if the company will not simply accept the contract, is further indicated by the line they take in respect to the clause providing for forfeiture in case of breach of contract, which is the only other point that remains calling for serious attention.

As before pointed out, the contract is so worded as to supply no power to force the company to execute works. The Orissa deed had no power to terminate it. Under the Act that has lately passed the Legislature, it is declared that in case of breach of contract on the part of any company obtaining land from the Government for public works under the Act, the land shall revert to the State, and the fixtures or buildings on it. This is the essence of the forfeiture clause proposed. The company reject it on such a footing, and propose as a substitute the corresponding clause of the railway contracts, which is one of the most extraordinary parts of that peculiar document. The railway clause simply amounts to this; that if the company do not carry out the works in accordance with their agreement, the Government may pay them the full sum spent on the works and let them go away. This, of course, is in no sense a forfeiture clause, and it is trifling to speak of it as such. It will rather conduce to reckless dealings and bad faith than anything else, for the company will know that however badly their affairs are managed, the only remedy the Government will ever have, and the only means of replacing a bad system by a good one, and of giving the country efficient works to replace inefficient, will be to pay back to the company all the money they have ever spent on their works, ill or well. Apart from the precise provisions of the Act now passed, it could never be thought right to introduce such a clause into the contract, as its real results would be as nearly as possible the exact reverse of what was intended.

The objection taken by the company to the want of precision in the definition of the term, breach of contract, under which forfeiture will be incurred, can be easily remedied by adopting some such course as that laid down in the proposed unguaranteed railway contracts,

contracts, *i. e.*, stating that a breach under which forfeiture would be incurred should be understood to be a breach continued six months after it has been duly pointed out to the company by the Government, and specific orders given to remedy it. The power of settling, in the first place, what is a breach of contract simple, is completely guarded by the power of appointing arbitrators to settle points in dispute.

The clause, as now drafted, is I think, moderate, and, as explained, should, in my opinion, be insisted on. In the original discussions on the Orissa contract, Colonel Yule suggested the propriety of a forfeiture clause, and Lord Canning agreed. Sir B. Frere remarked that he did not think it necessary. The result (which is all that we can now speak of) is, that no such clause was proposed by the Government.

Clause 22, regarding the application of the profits as it stood in the Orissa deed, seems to me most objectionable. As modified now it is very complex, and I think it might usefully be altered so as to declare simply that the company should pay for all land within five years from the date it was handed over to them, or some definite time of that sort.

The proposed alterations of the company in the modified clause seem to me questionable, if the clause is to be regarded as of any practical utility. As the clause stood, and as the company desire it to stand, the Government could not, I feel convinced, ever get their money back for the land, if the company desired to avoid the payment. The stipulation that the Government should share equally with the company in profits in excess of 20 per cent. though nominal, might remain.

The proposal to put the Government claim on revenue after the claim for maintenance is of no moment, and may be admitted.

In clause 17, settling how the revision of the price of the water is to take place, the words objected to by the company had already been struck out of the draft by me.

5. MEMORANDUM on Proposals to Purchase the Ganges Canal in behalf of the East India Irrigation Company.

MR. WESTWOOD, the secretary of this company, writes to ask whether the Government would sell the Ganges Canal on certain terms that he names.

He writes entirely in his own name, and makes no allusion to any authority that he may have received from the company, so that the offer is hardly one from the company, and could not be held to be binding on them in any particular. But from the nature of the proposals, this is not a point of much moment.

The essential matter of Mr. Westwood's proposals is, that the company should pay 1½ millions for the canal and all its appurtenances, in six equal instalments of 250,000 *l.* each, the first as soon as the contract is settled, the rest at intervals of not less than one year, and not more than two years. The payment, therefore, it might be said, would not be completed for 12 years.

The Government might have a power of re-entry, if the instalments were not properly paid; but in such a case, the Government would be bound to pay back the instalments that had been paid, and also all money that the company itself, meanwhile, might have spent on the works.

The company would have full power to alter or add to the works at their pleasure, and would have secured to them the full use of the Ganges water.

The returns to be the property of the shareholders up to 25 per cent. on the company's capital; above that the Government to come in for one-half.

The Government to agree to make over all officers, now employed on the canal, to the company, without prejudice to their right to pension, &c.

Otherwise, the contract to be in general conformity with the agreement lately entered into for the Madras works, modified as shown in the printed copy sent up.

An immediate reply is urgently requested.

The whole of these proposals are worthy one of another, and it cannot be said that any of them are remarkable for moderation. Mr. Westwood must have odd ideas of the Ganges Canal, and of the Government of India, even to propound such a scheme.

To begin with, he offers to pay, say, three-fourths of the actual cost of the works, now that they are beginning to pay, and that the country is beginning to become habituated to the use of irrigation. He assumes, on the authority of Sir A. Cotton, it may be presumed, that the canal is a huge blunder and can only be put to rights by the help of Sir A. Cotton and engineers of his school. I have received privately a Memorandum by Sir A. Cotton on the state of the Ganges Canal, and the way of curing it of all defects, which, no doubt, is the groundwork of Mr. Westwood's conclusions. I am not prepared to say that I disagree with the *whole* of these views of Sir A. Cotton; but at least one-half of them should,

in my opinion, be summarily rejected. The canal, no doubt, still requires a good deal to be done to it, and will call for some considerable further expenditure. But, as a whole there is, I believe no reason to find fault with it, and no greater mistakes have been committed than were to have been expected in a work which is unique of its kind.

This perhaps has not much to do with these proposals, excepting inasmuch as it shows the tendency of the alterations and additions which the company would undertake, and which they might, in the end, make the Government pay for.

Not only is the total payment quite insufficient, but it is spread out over 12 years; for of course, if the company had the option of paying in the longer period they would exercise it. During this time, the company would be at liberty to spend as much money as they pleased on whatever works they pleased, and this, with the knowledge that they could, within the 12 years, in a measure, force the Government to pay all the money back if their operations failed. They might, say, after six years, refuse to pay any more instalments, and the only remedy the Government would have would be to pay back the three first instalments and all the money spent on the works. The canal might be absolutely destroyed, and the only means that the Government would have to get possession again, would be to reimburse the company fully. Under such an agreement, there would, one may say, be every possible inducement given for reckless expenditure and wanton ampering with the existing canal works.

Under the proposed contract, the Government would have no power whatever over the operations of the company. Clauses are inserted, declaring that the price of the water is to be fixed by arbitration; that it can be reduced by the company at their pleasure, and can be revised by arbitration subsequently. There is a loose allusion to the Government taking water from the company, and the Government paying the company for it. But from the discussions that have taken place regarding the Soane project, we know what this company's views are on this subject, and that they are totally opposed to what I understand to be the intentions of the Government. On the whole, such an agreement would be powerful against the Government, as it pledges itself to do various things, but perfectly powerless in behalf of the Government interests.

The agreement to hand over the Government officers employed on the canal, in its present form, would also be out of the question.

The whole proposal however is so wild, that it is needless going into it further in detail.

Of course the essential matter here, as in all other proposals to hand over irrigation works to private companies, is whether or not the Government is prepared to adopt a strong and consistent policy of carrying out such works of this sort, as are required by the country. If it can see its way to doing this, there should be no hesitation in rejecting this offer absolutely. If, on the other hand, after weighing all the serious considerations involved by so doing, it determine, to divest itself of the function of providing water for irrigation purposes, and to entrust the work to private enterprise, there seems no reason why the Ganges Canal should not be got rid of on reasonable terms if they are offered. The present proposals, under no circumstances, would be reasonable, and if an arrangement is come to, it must be on a totally different basis. But in the present position of the discussion, it seems to me that the general question of policy is one which calls for decision before these individual cases can be properly dealt with.

I may here repeat that my own distinct conviction is, that if the Government can carry out these works themselves, they should do so. But rather than go without irrigation works, I would make the best bargain possible with private companies. I can, however, see no real difficulty in the way of Government going fairly into these operations. There could be no practical difficulty as to funds, as it is pretty certain that the *direct* return would very soon cover the interest on the money sunk. The Government could raise 20 millions for such purposes with the greatest ease, should it be requisite. The expenditure would be spread over many years, and the supply of the funds would cause no sensible disturbance of the money market, nor discredit the Government. The Government has thought it right to raise 60 millions for railways in a very awkward manner, reserving to itself no power of profiting by the investment. By investing a far smaller sum in irrigation works, the effect of which must be to secure the physical comfort of a large portion of the population of India, in a manner that cannot be attained in any other way, inasmuch as it will secure a certain and plentiful supply of food, notwithstanding the vicissitudes of the seasons, which bring famines as a natural and necessary sequel of the ordinary action of the laws of the climate, an object may assuredly be gained, which, to say the least of it, is as well worthy the attention of the Government as the provision of rapid and easy means of locomotion or transport of produce. Comparing railways with irrigation works, the moral and political inducements to undertake the latter appear to me much the greater; while the financial objections are much smaller, as money sunk in irrigation works could not under the most ordinary management lead to pecuniary loss, and most probably would give an actual direct increase of revenue besides paying interest.

— No. 2. —

PUBLIC WORKS DESPATCH from the Secretary of State to the Government of India, dated 8th August (No. 39) 1864.

Sir,

PARA. 1. I have had under consideration in Council the question which is discussed in your Excellency's Despatch, No. 23, of 7th April last, and which you justly regard as one of the most important that can arise in the administration of Indian affairs, namely, whether Irrigation Works should be carried out by the direct agency of Government, or through the instrumentality of private companies.

2. The plan of entrusting the execution of Irrigation Works to the agency of private companies was, as you are aware, introduced in 1858 as an experiment. The arguments for and against the system were fully considered, and it was during the period of financial difficulties, when doubts were entertained of the Government being able to raise funds for the execution, on an extended scale, of works of this character, that it was determined by the Home Government to avail itself of the offer of a private company as an experimental measure.

3. It is now for consideration whether, under a different state of financial affairs, the system then introduced should be continued, or whether Works of Irrigation should, as a general rule, in future be carried out under the direct control of the Government.

4. The experience that has already been had of the working of irrigation companies tends to show the correctness of the objections to the employment of this agency which those opposed to the system entertained, and which have been now so forcibly put forward, as well by the late Governor General, Lord Elgin, and by Sir W. Denison, when temporarily acting as Governor General, as by Mr. Maine in his Minute of the 30th September last, and it appears that however desirable it may be for the Government to avail itself of the agency of companies in carrying on railway and other similar works of public utility, the close connection between the interests of the Government which receives, and those of the ryot who pays the rent of the land, and the intimate relations which are thereby created between them, render it very undesirable that Works of Irrigation and the arrangements connected with the return from them, by which those interests and relations may be so materially affected, should be in other hands than those of the Government.

5. Among other objections that have been raised to the Government undertaking great works of this character, it has been urged that sufficient professional superintendence is not available. There seems no valid reason why a private company should possess greater facilities of securing able professional service than the Government; and, in fact, experience has shown that it has been to the engineer officers of the Government that companies have looked for efficient superintendents.

6. Sir R. Napier and Mr. Grey regard as certain the capacity of the State to execute all irrigation works without the intervention of companies, and urge the expediency of raising funds, if necessary, expressly for this purpose.

7. After carefully considering this important subject in all its bearings, and the able minutes recorded by the several Members of your Government, I have to signify to you my concurrence in the conclusions at which you have arrived, that the State should undertake directly all the irrigation works it can practicably manage, in preference to entrusting them to private companies, and that when the surplus revenues and available balances prove insufficient to supply the requirements of the country, funds by means of loans should be raised; and I shall be prepared to give favourable attention to the practical steps you may propose to adopt to give effect to these conclusions.

8. In the meantime, it would seem to be premature to inquire what concessions it might, in certain contingencies, be proper to make to private irrigation

tion companies. Undoubtedly, it would be better that such companies should be encouraged, than that important irrigation works should either not be undertaken at all, or should be indefinitely postponed. But since it has been determined that your Government shall at once make arrangements for prosecuting such works to the extent of its means, it will be advisable to wait to see whether those means may not suffice of themselves, before considering on what terms extraneous aid might be obtained. The objections to irrigation companies in India may not be insuperable, but they are sufficiently strong, to make it desirable that resort should not be had to such companies until Government agency shall have been fairly tried and shall have been found wanting.

I have, &c.
(signed) C. Wood.

— No. 3 —

PUBLIC WORKS DESPATCH from the Government of *India* to the Secretary of State, dated 9th March (No. 29) 1865.

Sir,

YOUR Despatch, No. 39, dated 8th August last, communicated to us your conclusions with reference to the prosecution of Irrigation Works in India, and informed us that you concurred in our opinion, that the state should undertake directly all the works of this class that it can practically manage, in preference to entrusting them to private companies. You added, that if the surplus revenues and available balances should prove insufficient to supply the requirements of the country, funds by means of loans should be raised, and that you would be prepared to give favourable attention to the practical steps we might propose for giving effect to these conclusions.

2. We now have the honour to submit for your consideration a scheme, drawn up by Colonel Strachey, our secretary in this department, for undertaking the development of Irrigation Works through the agency of the Government in a systematic manner, which appears to us to be based on thoroughly sound arguments, and to deserve our entire concurrence. The question has been so fully and ably discussed by Colonel Strachey, and his proposals are put forward in so practical and definite a form that it does not seem necessary for us to do more than express our entire assent to the measures which he suggests.

3. The facts adduced as to the appropriations likely to be made from the ordinary public works grants for the prosecution of irrigation works (*vide* paras. 7 to 16 of Colonel Strachey's Memorandum), prove, as we think, conclusively that no reliance can be placed on the ordinary revenues for giving effect to such a development of this class of works as is essential for the well-being of the country. The provision that has been made for Irrigation Works in the Budget Estimates for the coming year 1865-66, in the North Western Provinces and Punjab, sufficiently attests the truth of this view. For the re-modelling of the Ganges Canal an allotment of only one lakh has been made, while the whole estimate is nearly 40 lakhs for the works alone. In the Punjab the allotments for the prosecution of the Baree Doab Canal are of a most inadequate character. Remarks of a like nature may be made as to the Madras Estimates. It is only by diverting money from important works of other descriptions, which cannot be effected without serious inconvenience, that any addition can be made to the limited sums which the Local Governments have proposed to appropriate for the Irrigation Works, and we are at a loss to see any remedy for this state of things except by giving early effect to the policy which has already been accepted by Her Majesty's Government of supplying the want by means of a loan.

4. We wish to draw particular attention to Colonel Strachey's observations as to the light in which the financial effect of a loan for carrying out such works

works should be viewed. Practically, the charge of interest on the money sunk until the work is in a condition to pay, is just as much a part of the first cost as the direct outlay on the construction. There is no reason whatever for regarding such an interest charge as a burden on the revenues, and it may, with perfect propriety be paid from the loan. The only essential point is to be assured that all the works undertaken shall, in the end, at least bring back to the State the interest on the capital expended on them, and with a proper system of management, we do not doubt that this may be always accomplished.

5. The importance of exercising a constant and careful supervision over the working expenses and income of this class of works has been already strongly insisted upon by us, and our orders have, we are glad to see, received your full approval. The necessity for increased vigilance in this direction, if the policy of constructing works by means of loans be adopted, has been forcibly dwelt upon by Colonel Strachey; and we quite agree with him that this will become an essential element of a satisfactory administration of an irrigation department.

6. In conclusion we would express our hope that, after such further consideration and emendation as these proposals may receive from Her Majesty's Government, they will be found to afford a safe foundation on which to commence a systematic development of Irrigation Works in all parts of India on an effective scale; and that a provision will thus, before long, be made for the requirements of the entire country in respect to artificial irrigation, no less successful and no less worthy of an enlightened Government, than that made in respect to the means of communication by the adoption of the policy originated by Lord Dalhousie for the construction of railways. The increase in the prosperity of the agricultural population, and of the quantity of agricultural produce which must certainly follow the extension of irrigation works, will give a very powerful stimulus to the traffic on the railways; while the increased facilities of transport will largely extend the markets to which such produce can profitably be sent. The combination of these causes cannot fail to lead to an improved condition of the finances, in part due to the increased wealth of the country, and in part to the reduction of the demands on the State to meet the railway guaranteed interest; and we shall look forward with much confidence to the results of the hearty adoption of a policy which shall provide for the energetic prosecution of irrigation works within the limits of proper prudence, combined with the gradual completion and extension of the system of railways, the main outlines of which have already been so satisfactorily fixed.

We have, &c.

(signed) *John Lawrence.*
H. Rose.
H. B. Harington.
H. S. Maine.
C. E. Trevelyan.
W. Grey.

Enclosure 1, in No. 3.

NOTE on the Measures to be adopted for the Extension of Irrigation Works in India, by aid of Special Loans to be raised for the Purpose. By Colonel R. Strachey, R.E., Secretary to Government of India, Public Works Department.

THE Secretary of State, in his Despatch, No. 39, of the 8th August last, has informed the Government of India that he concurs in the conclusion "that the State should undertake directly all the irrigation works that it can practically manage, in preference to entrusting them to private companies, and that when the surplus revenues and available balances prove insufficient to supply the requirements of the country, funds by means of loans should be raised." He adds that he will be prepared to give favourable attention to the practical steps the Government of India may propose to adopt for giving effect to these conclusions.

2. In the letter to the Secretary of State, the substance of the reply to which is above given, the Government of India had said, that "the immense value of irrigation to the agricultural

agricultural community in all parts of India is beyond dispute; and we are sensible of the serious responsibility which rests on the Government to do what is in its power to extend works designed for this purpose. Much has already been accomplished, but more still remains to be done, and it should without doubt be our constant aim to follow up with yet greater consistency and practical force the efforts that have for many years past been made to extend the benefits of irrigation to the country at large." It was also said, that "the history of the last famine in Upper India is still fresh enough in the memories of every one to render superfluous any general comments on the appalling character of a season of drought over a large area. In like manner we believe that the luminous Report of the late Colonel Baird Smith sufficiently demonstrates, without any further remarks on our part, the real power of systematic irrigation to amend the worst consequences of such a season of drought, and proves that against such visitations there is in truth no other security possible: all other things, and among them improved communications, acting only as feeble palliatives. It will be a day of the greatest promise for the future well-being of India when the Government shall take the first decisive step towards the gradual but systematic introduction of Irrigation Works into every district now liable to occasional seasons of drought, and shall thereby lay the foundation of a new order of things, under which the sound and material progress of the community will no longer be liable to be suddenly arrested and thrown back indefinitely, as is now the case, and as must ever continue to be the case, so long as the country is left without the safeguard of a sufficient supply of artificial irrigation to support the people and the cattle in a season of drought."

3. In submitting the despatch of the Secretary of State above referred to, for the orders of the Government, it becomes my duty to offer such suggestions on the subject as have occurred to me after a careful consideration of the whole question, which, as the Secretary of State observes, may justly be regarded as one of the most important that can arise in the administration of Indian affairs. I have been most strongly impressed with the serious responsibility that now rests on the Government of India in giving a proper direction to the future action of the State in regard to Irrigation Works; and the delay that has arisen in taking up the questions which have to be discussed in connection with the Secretary of State's despatch will, I feel assured, be excused when the extremely great importance of arriving at a sound practical conclusion is considered. I may be permitted to add that few things would be so gratifying to myself as the knowledge that the foundation of a persistent policy, having for its object the systematic extension of irrigation over every part of India, had been laid before my connection with the Public Works Administration ceased.

4. It will be apparent to every one who has followed the discussions which have ended in the Secretary of State's despatch now under consideration, that the general problem to be solved involves primarily the financial question, How shall the necessary funds be provided? If no financial difficulties had stood in the way there can be no doubt that long ago the Government would have undertaken irrigation works to a vastly greater extent than in fact has been possible. But till now the propriety of obtaining the requisite funds by loan, after the surplus available from income or the balances has been exhausted, has never been distinctly admitted, and as a consequence the progress of Irrigation Works has been practically limited by the annual grants for public works, which have been provided from the ordinary ways and means of the country. For some years past, since the finances have been administered on an improved system, it has been the declared policy of the Government to limit the public works grants to the sums that can be allowed from the ordinary revenue after discharging all other claims of all sorts. Formerly the wants of the Government for public works were dealt with in the same general manner as the wants for other objects, and to a certain extent the open loans served to supply the outlay on public works, as well as on other services. There was however no recognised principle that Irrigation Works, or any other class of works, might properly be provided for from funds raised by loan, and the so-called Public Works Loan was in fact a general loan, intended to make good the general deficit that arose at that time, though the deficit was no doubt partly due to the Public Works charges.

5. The decision of the Secretary of State, lately received, places the supply of funds for irrigation works on a new basis, and for the first time the Government has recognised that the sum available from the ordinary revenues for such works may properly be supplemented by funds to be specially raised on loan.

6. The first point to consider, then, will be, What is the sum that may probably be available year by year from the ordinary revenue for this class of works?

7. A reference to the recent orders of the Government of India on the probable outlay on barracks will show that it has been provisionally decided that a sum of 2,000,000 £. may be regarded as the annual amount to be provided for works of public improvement for the present. The grant for the current year has been considerably more than this, but under all the circumstances of the case the sum above named has been considered a suitable grant for the coming, and for future years.

8. The following figures give the actual grants, made for the last four years, under the head of Agricultural Works, which term is perfectly synonymous with Irrigation Works, excepting in Bengal, where it refers exclusively to embankments:—

TOTAL

TOTAL GRANTS.

YEAR.	New Works.	Repairs.	TOTAL.
	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>
1861-62 - - - - -	23,00,312	22,50,313	—
1862-63 - - - - -	22,72,046	23,56,723	—
1863-64 - - - - -	22,38,067	21,26,513	—
1864-65 - - - - -	27,55,230	23,25,440	—
TOTAL - - -	95,45,655	90,58,989	—
Average - - -	23,86,414	22,64,747	46,51,161

For the five larger Governments the following are the grants; the other provinces are omitted, the expenditure in them being very small:

ORIGINAL WORKS.

YEAR.	Madras.	Bombay.	Bengal.	North-Western Provinces.	Punjab.	TOTAL.
	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>
1861-62 - - -	3,38,481	2,23,882	1,01,845	8,91,039	7,40,533	22,95,780
1862-63 - - -	6,75,995	1,56,359	2,14,943	7,70,399	4,53,250	22,70,946
1863-64 - - -	4,82,865	2,23,198	2,01,800	7,45,401	5,52,403	22,05,667
1864-65 - - -	7,11,900	4,84,310	4,15,680	5,32,120	5,54,310	26,98,320
TOTAL - - -	22,09,241	10,87,749	9,34,268	29,38,959	23,00,496	94,70,713
Average, 4 Years -	5,52,310	2,71,937	2,33,567	7,34,740	5,75,124	23,67,678

REPAIRS.

YEAR.	Madras.	Bombay.	Bengal.	North-Western Provinces.	Punjab.	TOTAL.
	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>	<i>Rs.</i>
1861-62 - - -	10,00,000	4,20,960	2,09,500	3,42,500	2,68,638	22,41,598
1862-63 - - -	10,10,579	4,19,279	2,01,000	3,02,839	4,15,946	23,49,643
1863-64 - - -	9,47,247	2,68,110	2,20,000	4,17,178	2,65,138	21,17,673
1864-65 - - -	10,85,280	4,03,850	2,37,500	3,74,250	2,12,960	23,13,840
TOTAL - - -	40,43,106	15,12,199	8,68,000	14,36,767	11,62,682	90,22,754
Average, 4 Years -	10,10,776	3,78,050	2,17,000	3,59,192	2,90,671	22,55,689

9. It may hence be inferred that the present charge for maintenance under this head, which is an obligatory charge, is not less than 23 lakhs, and having regard to the gradual extension

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extension of works, it will not be safe to estimate the charge, for some few years to come, at less than 25 lakhs annually.

10. Also it may fairly be reckoned that from such grants for public works as have been made for the last four years, a sum of about 25 to 30 lakhs may be given to Irrigation Works without inconvenience or undue restriction of other classes of works.

11. From an examination of the actual grants of the last four years under the other sub-heads of Works of Public Improvement, viz., Communications and Miscellaneous, it appears probable that the charges for maintenance under these heads may be reckoned as not likely to vary much from 40 lakhs annually. Taking account of the steady increase of charge for road repairs, 45 lakhs will be a safer sum to take for the future. The grants for new works under the head Miscellaneous (which are mainly lighthouses and harbours), may be taken at 5 to 10 lakhs. The residue of the grant goes to new roads and works of inland navigation.

12. On the whole, a total grant on the standard of 200 lakhs, or 2,000,000 *L.*, might be expected to be thus distributed:

<i>New Works.</i>						<i>Lakhs.</i>	<i>Lakhs.</i>
Agricultural	-	-	-	-	-	30	
Communications	-	-	-	-	-	93	
Miscellaneous	-	-	-	-	-	7	
TOTAL						-	130
<i>Repairs.</i>							
Agricultural	-	-	-	-	-	25	
Communications and Miscellaneous	-	-	-	-	-	45	
TOTAL						-	70
GRAND TOTAL						-	200

13. The above figures show a probable distribution based on the experience of the last four years. It would of course be possible in an arbitrary way to require a larger appropriation to irrigation works, making a corresponding reduction from communications. But it may be doubted, having regard to the absolute wants of the country for the completion of roads, whether the appropriations for such works could properly be much reduced for some years to come; and it will, I think, be taking a very high estimate of the sum available for Irrigation Works to place it at 50 lakhs or 500,000 *L.* annually.

14. An annual grant of 500,000 *L.* for this class of works would be approximately double the average of the last four years. Let us now see what sums it would admit for expenditure in the larger provinces. The amounts, at double the rate of the actual averages, would be as follows:

	<i>Lakhs.</i>
Madras	12
Bombay	6
Bengal	5
N. W. Provinces	15
Punjab	12
TOTAL	50

15. The utter inadequacy of such grants to carry out with proper activity Works of Irrigation on any but the smallest scale will at once be apparent. The Ganges Canal, before it was opened, had cost about two millions. If the whole grant to the North Western Provinces at the above rate were appropriated to such a work, it would require 12 or 13 years to complete it. With such grants as have actually been made during the last four years the necessary time would be double this, say 25 years. Nearly the same remarks would apply to the Baree Doab Canal. The cost of this may be put down at about 1½ millions, so that the entire Punjab grant at the higher rate would be required for 12 years, and the actual average grant for over 25 years to complete the works. In point of fact both the Ganges Canal and the Baree Doab Canal have been executed with borrowed capital. Their construction took place during the period when there was a loan constantly open, and without this resource they could never have been carried on. Since the extraordinary grants made for these works have ceased, the progress of irrigation work_s

works in Upper India has virtually ceased also. It may be added, that it will practically be quite impossible to find the money required for the remodelling of the Ganges canal, from the ordinary annual grants to the North Western Provinces. If the amount be taken from the ordinary income, it will be equivalent to reducing the general grant for works of public improvement by, say, 15 or 20 lakhs for the next three or four years; and this will be not very different from stopping progress generally.

16. Without further argument, then, it seems to be quite apparent that for the proper prosecution by the State of works on such a scale as above named, the sum available from the ordinary annual grants would be quite insufficient, and that it would be unjustifiable to allow works of this class of magnitude to be put in hand if no other resources were forthcoming. Like considerations apply in a somewhat modified form, but with equal force, to the vigorous prosecution of the Irrigation Works in the Madras Deltas, where on the best authority it is stated that not one-half of the land has yet been brought under irrigation. The only completion of the canals that have long been in progress in Sindh, and the commencement of other similar works there and in other parts of the Bombay Presidency on a scale commensurate with the acknowledged urgency of the demand, must equally depend on the provision of funds in addition to the ordinary annual grants; and the development or extension of artificial irrigation in most of the provinces of India, in such a systematic manner as will fully guard the country from serious disaster by reason of drought, stands on the same footing.

17. It is of course extremely difficult to form any trustworthy estimate of the probable sum that could usefully be spent on irrigation works within a limited period, having in view their systematic extension all over India; but it will facilitate the apprehension of the subject if a rough computation of the amount is made so far as it is possible.

18. The following then may be stated as a possible list of requirements:

<i>Punjab:</i>	£.	<i>Bengal:</i>	£.
Completion of Baree Doab Canal -	500,000	North Western districts north of the Ganges, say.	1,000,000
Sutlej Canal - - - -	2,000,000	Western districts - - - -	1,000,000
Improvement of Western Jumna Canal.	250,000	TOTAL - - - £.	2,000,000
Supply of Jumna and Cuggur water to Bhuttee territory.	250,000		
Inundation Canals from Sutlej -	250,000	<i>British Burmah:</i>	
Chenab Canal - - - -	2,000,000	Canals from Irrawaddy and minor streams.	1,000,000
Canals, &c. in Sindh Sagur Douab and Trans-Indus.	1,000,000	TOTAL - - - £.	1,000,000
TOTAL - - - £.	6,250,000		
		<i>Madras:</i>	
		Extension of works generally, say £.	5,000,000
<i>North Western Provinces and Oudh:</i>		<i>Central Provinces:</i>	
Completion of Ganges Canal -	750,000	Minor works generally - - -	1,000,000
Canals in Rohilkhand - - -	500,000	TOTAL - - - £.	1,000,000
Dam on Jumna below Delhi and Canals from it.	750,000		
Canals from Sarda and Gogra -	4,000,000	<i>Bombay:</i>	
Works in Bundelkhand - - -	500,000	Canals in Sindh - - - -	4,000,000
Canals from Tonse - - - -	250,000	Canals in Guzerat and the Deccan	3,000,000
TOTAL - - - £.	6,750,000	TOTAL - - - £.	7,000,000
		GRAND TOTAL - - - £.	29,000,000

19. The requirements of the Punjab and North Western Provinces being best known to me, I am able to judge most exactly what sum it will there be found possible to apply usefully to this class of works. My estimate as to Madras and Bombay is little more than conjecture, but I am informed by Colonel Rundall, who is intimately acquainted with the Irrigation Works of the Madras Presidency, that the sum I have named is not in any way excessive for that territory. On the whole, there can be no reason to doubt that at least such an amount as is above given might usefully be spent, say, in the next 10 or 15 years. Allowing, therefore, for an annual appropriation of 500,000 £. from the revenue, which it will be remembered is double the actual rate for the last four years, a sum of something over 20 millions would remain to be provided for by special loan.

20. I think the above is a very moderate estimate of the sum that might be usefully applied to Irrigation Works within the time I have named, and I should consider that as much as 40 or 50 millions sterling could be beneficially laid out on this class of works within the next 20 or 25 years, in addition to any sums forthcoming from the surplus income.

21. If the above figures give even a tolerably close representation of the facts, they complete the proof of the proposition that it is quite impossible to do what is wanted by means of grants from the ordinary revenues. Whether the works to be carried out are in themselves large or small, matters very little. What must be regarded is the aggregate amount to be provided, and even should this be very much less than I believe it will be, the necessity for having recourse to loans to achieve proper progress appears to me indisputable.

22. But it will justly be said, that however great be the importance of the end in view, and however clear it may be that no satisfactory results can be obtained from the unaided ordinary revenues, yet the financial effect of taking up money on loan for such objects must be duly considered before the decision to do so is finally adopted. The question, in short, arises whether the additional charge that will be created can be met from the general resources of the State, while the works are under construction, or remain unremunerative. In a later part of this Memorandum I shall return to the subject more in detail; here I propose to confine myself to a statement of the conclusions which seem to me to arise from a consideration of the general circumstances of the case, adding that, from the nature of the inquiry, no answer can be given to it which is not in a great degree speculative. At the end of 10 or 15 years, if a loan of 20 millions has been contracted, a probable annual charge on the revenue will have been created of something under one million sterling. Having regard to the recent growth of the ordinary revenues, it will not be unreasonable to anticipate an increase of sensible amount in the coming 10 or 15 years. During this period it might be expected further that many of the works undertaken would have begun to pay directly; and the increased security to the general revenues obtained through their instrumentality might reasonably be expected to produce an important indirect financial advantage. Moreover, during the next 10 years the full effect of the development of the railway traffic will be felt, and the increase of the earnings will, it may be hoped, bring a large set-off against the guaranteed interest. Generally, therefore, it might, I think, fairly be anticipated that the burden caused by such an amount of debt would be met wholly or in great part by the growth of the actual income, or by the relief obtained from present losses or charges, in the manner that has been indicated.

23. Comparing the proposal to borrow such a sum as 20 millions to be applied to Irrigation Works, the entire profits of which shall go to the State, with that of giving a guarantee of 5 per cent. interest on the capital, which amounts to 70 millions, required for a system of railways for all India, in the profits from which the Government does not participate at all, it may be said with confidence that the first-named scheme is in all respects less open to risk than the last. There is literally no reason to think that, under a proper system of management, any eventual loss, however small, will arise on the Irrigation Works, while it may confidently be asserted that some of the lines of railway constructed under guarantee cannot possibly pay 5 per cent. on the capital sunk on them. It is not likely that so much as 5 per cent. will be realised within 10 years on the capital sunk on any but the smallest Works of Irrigation; but within 20 years, it is quite possible that so large a return as 10 per cent. may be realised, and it may easily be even more.

24. Nor is there reason to suppose that any greater financial discredit would attach to the Government for borrowing directly in the money market such a sum as I have named, to be applied under State management to Irrigation Works, than would be the case if the Government were to guarantee interest on so much capital to be applied under a joint stock company. Whatever have been the objections to the grant of Government aid to public works in the shape of a guarantee, it certainly has never been said that the public credit was thereby damaged. It manifestly does not signify in the very smallest degree, so far as the financial position of the Government is concerned, whether the capital on which Government has to pay interest is applied under the direction of the engineers of the State, or of a joint stock company. For the reasons that have been given in the earlier discussions on this subject, it has been considered necessary that the Government, instead of the Board of directors of a company, shall stand between the individual capitalists who provide the money and the work to be carried out; but this does not in any way alter the essential features of the transaction, nor does it afford any ground for diminishing the respect of the community for the Government. On the contrary, such a policy as has now been accepted by the Government of India and Secretary of State, if firmly supported, and carried out with those precautions which prudence require, should rather tend to raise the credit of the State, as showing that the Government has confidence in the public resources, and a proper determination to develop them to the utmost. That discredit will attach to any Government that borrows to cover a deficit arising from its own bad administration is very certain; but the difference between such a case and the present one is too obvious to call for discussion. Neither in India nor in any other country can great public improvements possibly be carried out from the unaided income of

of the year; and it is a proposition not to be disputed, that the application of capital to such ends may be in every way as economical and prudent on the part of the Government as on that of private persons.

25. I will conclude my remarks on this part of the subject by observing that the increase in the wealth of the community, and in the amount of exportable produce, that must follow on the extension of Irrigation Works in the manner that is contemplated, cannot fail to produce a very marked effect on the profitable character of the traffic of the railways. All experience, whether in India or elsewhere, tends to show that no objectionable competition for traffic is raised up by the construction of railways and canals of navigation through the same districts, and to whatever extent the canals of irrigation can also be fitted for navigation, the result to the community will certainly be unmingled good.

26. Having thus stated the grounds on which it appears probable that a large amount will be required to be raised by loan, to supplement the grants that can be made from the ordinary revenues for the construction of Irrigation Works, if these works are to be carried out with the vigour which is desirable, I proceed to consider the measures that seem suitable for giving practical effect to such a policy, the general expediency of which has now been acknowledged by the Government of India and the Secretary of State.

27. And, in the first place, I shall abstain entirely from any discussion of the precise system to be followed in raising the money required, as not being necessary for my present purpose. So far as the works are concerned it is a matter of complete indifference whether the money be raised in India or in England, and whether it be borrowed simply on a fixed rate of interest, or whether any special arrangement be made for admitting subscribers to such a loan to a participation in the profits to be obtained from the works. The essential consideration in determining such matters will be that the Government shall obtain the money on the best terms possible. For my own part, I suppose that the English money market will always be that in which funds can be obtained on the easiest terms; and with this remark I leave the subject.

28. Neither is it necessary to dwell at any length on the question whether such loans could be safely raised under the authority of the local governments. I conceive that so long as the responsible financial administration rests with the Government of India, and the Secretary of State, it will be thought essential that all public loans shall be raised exclusively by one or other of these authorities.

29. Passing then to those matters which call for specific attention, the first consideration should be to determine at the outset some general limit within which the contemplated operations should be restricted. It will not be desirable to leave the determination of the sum to be borrowed for purposes such as these to each occasion as it arises, because virtually this would re-open the general question of policy in dealing with every estimate, and in making the yearly grants for works in progress. To a certain extent, the Government would, under any conceivable circumstances, be forced to reckon in advance for several years the probable sums that would be required for all works of first-class magnitude, the completion of which would run over several years. Also there would be an implied pledge given on sanctioning the estimates for such works, that the needful funds would be provided year by year, until they were finished.

30. At the same time there would be a serious objection to entertaining the idea of an unlimited expenditure on this account. To do so could hardly fail to lead to want of attention to economy, and unduly to stimulate the proposals to undertake works. It is one of the most weighty arguments against the adoption of the policy of borrowing money to carry out public works, that it too often leads to a reckless prosecution of schemes, which are made to appear in very favourable colours by their projectors, and which are taken up for execution under feelings of excitement or enthusiasm, but which in the end prove to be failures. Having regard to the conditions under which office is held in India, and to the superlatively brief period for which public men here remain in authority, the risks of this sort to be guarded against in the present case seem unusually great. In this sense a specific limitation of the sums to be applied from money obtained on loan, not only as a whole, but in each separate province, seems to me almost essential.

31. Having regard to the probable magnitude of some of the works to be dealt with, the Ganges Canal, for instance, being likely to cost as much as three millions when completed, it is apparent that if a sum be fixed to limit the present extent of the operations of the State in such undertakings, it cannot be a small one.

32. On the whole, twenty millions might be named as a sum to be thus provided and laid out, say, in the next ten years. This sum, it will be seen, bears a reasonable proportion to the total roughly-estimated amount of the outlay that might probably be beneficially applied to this class of works in the period named. It will admit of the gradual extension of irrigation on a scale that will be fairly commensurate with the vast importance of the object, in

all parts of India and on a really systematic basis, while the amount at stake will not be so large as to be likely to lead to any very serious interference with the ordinary equilibrium of the finances. Of course no more money would be taken up, year by year, than was distinctly shown to be necessary; and though twenty millions has been named, it would not follow that this sum should be spent, unless really satisfactory evidence was brought forward, that works to that extent could be beneficially undertaken. By judicious management it should be quite possible to keep the expenditure even on the largest class of works within reasonable control, so that risk of real financial embarrassment arising from sudden pressure while such works were under construction might be avoided. The largest projects could always be so taken up that definite portions of the works should be brought into useful operation before a fresh commencement was made with a second portion; and such a rate of progress could generally be given to the works as was from time to time found suitable, having due regard to the general requirements of the finances.

33. Supposing, then, that it were determined to operate on such a general basis as is above indicated, it next has to be considered what should be the more exact mode of dealing with a fund thus created. It is clear that special caution would be requisite in many directions, and the following points are those which appear to be of primary importance.

34. *First, that due provision be made for the specific and exclusive application of the sum raised to the class of works which it is intended to produce.*

This consideration has always had much importance attached to it in the discussions on this subject that have arisen on former occasions, and it has been suggested that Special Commissioners should be appointed to raise and apply loans specially raised for such purposes. But apart from the expense of such a plan, there would be other administrative objections, and the end in view could quite easily be attained in a much simpler manner. It is already customary for the Secretary of State to obtain power under an Act of Parliament to raise money on loan. If in the Act under which an irrigation loan were raised it was provided that the money should be specially taken up and applied to this class of works, under rules to be framed by Her Majesty's Government and published in the "Gazette," and that accounts should annually be laid before Parliament of the sums raised and of the manner of their application, all reasonable security would be given that the trust would be faithfully performed. Nor does it seem at all necessary to place any restrictions on the application of the money obtained on loan, beyond what has just been suggested. For instance, to require that the unappropriated part of the loan should be kept in deposit, and should not be available as a part of the ways and means of the Secretary of State, might be financially inconvenient and costly, and would not be of any real use. The pledge given before Parliament that the sum raised would be applied to the purposes stated, would be in every way sufficient.

35. *Second, that the aggregate of the sanctions given in detail to works to be carried out from the loan should not exceed the whole amount authorised to be raised.*

This precaution will be an obvious one.

36. *Third, that a suitable appropriation should continue to be made from the surplus income of the year for new Irrigation Works.*

The necessity for this condition is perhaps not so apparent as the former two. But it is proper to guard as much as possible against any needless borrowing, and there is really no reason for ceasing to apply the ordinary income to this class of works because grants are provided in an exceptional manner. It is just possible that in some years the ordinary revenues might supply all that was really required for the proper prosecution of the works in hand, and so far as it will go after meeting the essential demands for other classes of works, the current income should certainly be made to meet this expenditure. Moreover, there is no sufficient reason why the burden of providing works of this particular class should be entirely thrown on the future, or why a fair contribution should not be made towards them from the resources of the present time.

37. *Fourth, that the actual cash transactions connected with the extraordinary income and expenditure should be dealt with as a part of the ordinary transactions of the year, so far as the public accounts are concerned.*

This caution is essential in order to prevent complication in the accounts. All the needful security as to the proper application of the money can be quite easily got without any special accounts, as will be hereafter explained, and the importance of maintaining inviolable the unity of the general financial statements of the income and expenditure is paramount. All that will be requisite to ensure regularity is to treat the receipts from the loan as part of the income of the year; to regard the special grants for works as so much added to the ordinary public works grants of the year; and to exhibit the whole of the expenditure as ordinary expenditure against the whole grant. The detailed accounts will, under the regular system of the department, show the outlay on each separate work, and a simple statement of the amount spent on those works which have been specially sanctioned for execution under the loan will provide a sufficient explanation of the actual application of the special grant.

38. These general conditions might be met under some such rules as the following :

I. The Secretary of State to have power to borrow 20,000,000*l.* within the next 10 years, to be applied to the construction of Irrigation Works, and works subsidiary to them.

II. A separate account to be kept of the sum thus raised from time to time, and of the appropriations thereof, to be laid before Parliament yearly with the Indian accounts.

III. The appropriations to be made by the Secretary of State, on the recommendations of the Government of India.

IV. The appropriations to be made in the form of special annual grants, to be applied to Irrigation Works, in aid of the ordinary public works grants to local governments.

V. In recommending special appropriations from the loan, the Government of India will be guided by the following principles :

First. No appropriation will be made to cover charges for maintenance, or establishments employed on works in actual use.

Second. No appropriations will be made for works estimated to cost less than 25,000 rupees, unless they be minor works forming part of a system in course of execution. The same rule will apply to additions to existing works.

Third. The estimated charge for establishments and contingencies of all sorts required for the construction of works chargeable against the loan may be met by a suitable addition to the appropriations. A fair sum may be allowed for superior establishments and charges for accounts.

VI. Appropriations thus made will then fall into the ordinary ways and means of the year, and be accounted for, as also will be the whole of the expenditure, exactly as are the ordinary public works, grants, and expenditure.

VII. A yearly account of the actual expenditure on Irrigation Works specially sanctioned for execution under the loan will be prepared to compare with the grants.

VIII. If the expenditure on such works in any year is not equal to the special appropriation from the Irrigation Loan, the unspent balance will be looked upon as a sum which it is obligatory on the Government of India to re-appropriate to this class of works in the following year ; and in estimating the surplus available from the ordinary revenues of the year for application to ordinary public works, a deduction should be made to provide for such special re-appropriations.

IX. The Government of India will continue to appropriate from the ordinary surplus available for works of improvement a reasonable sum for new Irrigation Works, say from about 15 to 20 per cent. of the whole grant of works of public improvement, so that a fair share of the outlay on new construction shall fall on the current revenues.

X. The account presented to Parliament will be in the following form :

NO. 1.—IRRIGATION LOAN.

SUMS RAISED.		APPROPRIATIONS.	
	£.		£.
Balance - - - - -	5,000,000	By last account - - - -	3,500,000
Raised in the year - - - -	10,000,000	During the year, Bengal, Madras, &c. - - - -	6,500,000
(Details to be given.)		(Details to be given.)	10,000,000
		Balance - - - -	5,000,090
TOTAL - - - £.	15,000,000	TOTAL - - - £.	15,000,000

No. 2.—DETAIL OF APPROPRIATIONS AND EXPENDITURE.

Government of Bengal.

APPROPRIATIONS.		EXPENDITURE.			
Year.	Amount.	Year.	Chargeable to Loan.	Chargeable to Revenue.	TOTAL.
	£.		£.	£.	£.
1864-65 -	500,000	1864-65 - - -	400,000	15,000	415,000
1865-66 -	300,000	1865-66 - - -	400,000	30,000	430,000
1866-67 -	250,000	1866-67 - - -	200,000	10,000	210,000
1867-68 -	50,000	1867-68 - - -	45,000	8,000	53,000
		TOTAL - - - £.	1,045,000	63,000	1,108,000
		Balance of Appropriations not expended -	55,000	—	—
TOTAL - - £.	1,100,000	TOTAL - - - £.	1,100,000	—	—

(And so on for each Government.)

XI. The distribution of the actual expenditure of the year, to be charged against the revenues of the Irrigation Loan, will be made by the Accountant General, Public Works Department, on the general principles that guide the appropriations. He will also always make the full amount of the appropriation for Irrigation Works under the ordinary Budget Estimate a charge against revenue, only admitting any excess on that account as a charge against the Irrigation Loan.

XII. There shall also be submitted to Parliament a yearly statement showing all the projects sanctioned by the Secretary of State for construction from the loan, with an account for each, of the original estimated cost, the expenditure up to date, and the probable sum required to complete the works.

XIII. The total estimated cost of all such works shall not be allowed to exceed 20 millions.

XIV. The total actual expenditure to be supplied from the loan, added to the estimated outlay necessary to complete the works, shall not exceed 20 millions.

39. A few remarks may usefully be made in explanation of some of these proposals: the greater number of them are obvious corollaries to the general conclusions that have been adopted on the grounds previously stated.

40. The final responsibility of making the appropriations from the loan has been placed on the Secretary of State, because it seems quite essential, under the special circumstances of the case, to take every possible precaution to prevent unthrifty expenditure. The necessity for obtaining the preliminary sanction of the Secretary of State before *any work* is put in hand at the charge of the loan will no doubt cause some delay; but this will, I believe, be advantageous rather than otherwise. In looking at the result of operations such as these, the postponement of any work for a few months will be absolutely inappreciable, so far as the effect on the country is concerned, and everything which conduces to deliberation in the preparation of projects, and forethought in putting works into actual execution, will be a real benefit. The approval of the Secretary of State being required to the specific yearly appropriations will also perhaps tend to caution, and can do no harm.

41. The recommendations of the Government of India, would, as a rule, be accepted, by the Secretary of State; but the knowledge that all questionable proposals would probably be challenged would lead to increased care in putting forward claims to participate in the grants, and the necessity for obtaining and supplying full information on every project submitted would be made more obvious.

42. The adoption, as regards this class of works, of the rule which already applies to the prosecution of all ordinary works by the Public Works Department, pending the receipt of the orders on the Budget Estimate of the year, would obviate all inconvenience from the Secretary of State's sanction being necessary to the annual grants. The rule referred to provides

provides that all works in progress at the end of the year may go on in the new financial year, pending the issue of orders as to the amount of the new year's grant, at the same average rate of expenditure as was sanctioned for the former year.

43. I may be permitted to add, with reference to this point, that the objections which have been taken to the Budget system in its application to the operations of the Public Works Department, on the ground that under it no extensive works can be carried out, because there can be no confidence in the amount to be granted from year to year, are certainly made under a misconception. The difficulties and inconveniences referred to are indeed real, but they arise not from the Budget system as such, but from the strict limitation of the funds from which the yearly grants are made. In truth, the excellence of the Budget system cannot be better proved than by these very complaints. It provides a powerful check on expenditure in excess of the ordinary grants of the year, which is precisely what it is intended to effect. With such grants as will only supply from two to seven lakhs a year in any province for new works of irrigation, it would be unreasonable to attempt operations on a large scale; and if under the Budget system such attempts are practically prohibited, it is just what should be done. With greater latitude in the amount available for expenditure, a corresponding increased freedom in the working of the Public Works executive administration will at once follow.

44. As to the precise class of works to which an Irrigation Loan should be considered applicable, a few words may be added. Although the essential object would be the extension of Works of Irrigation, yet, inasmuch as navigation should without question be provided for as far as possible in designing Works for Irrigation, it would only be reasonable to permit all needful outlay for the proper adaptation of the projected works to purposes of navigation. In like manner, all needful contingent operations, in the way of embankment, to keep out floods, or of drainage, or of any necessary subsidiary works, would properly be provided for from the fund for Irrigation Works. As will be pointed out further on, the essential point to regard is, that the works shall be remunerative, which in brief implies that they will be profitable to the State, and at the same time to the community.

45. This concludes all that need be said as to the application of a special loan. But in entering upon the policy which certainly involves an increase to the burdens of the State to the extent of the charge of interest on the loan, while the set-off to be derived from the results of the works is in a measure problematical, further precautions will be expedient.

46. It will not do merely to trust that a suitable return will be obtained from the works constructed. The experience of the last 20 years in the Upper Provinces of India, shows conclusively that a passive attitude does not suffice. Active measures must be taken to ensure a profitable result, and exact accounts showing the real financial consequences of the operations must be insisted on.

47. The only safe basis on which to conduct any financial operation, requiring for its success a definite return on capital sunk, is to keep accurate accounts of all items of outlay and income, and to maintain a constant check on the outlay, and an equally constant watch on the growth of the income, which should be stimulated by all possible and legitimate means. This is just as essential in the case of irrigation canals as in any other enterprise.

48. In the present case we must contemplate the possibility of the Government having to meet, at the end of 10 years, an additional yearly charge of one million sterling for the interest of the money taken up on loan, and it will certainly require the greatest care and the best management to bring up the revenue from the Irrigation Works by this amount in that time. It will no longer suffice to trust to the ordinary growth of the revenues to compensate for the sums sunk in Irrigation Works. It might have been reasonable to take no special account of the exact returns of such works so long as the outlay on them was limited to grants from the ordinary surplus revenues of the year. But now a new specific charge will be created, in the expectation that the income in the end will at least cover the interest on the capital sunk; and to admit of the Government seeing how far this expectation is fulfilled, and for taking all needful measures for securing this result, accounts in a perfectly precise form will be requisite.

49. This precaution should, I think, be regarded as a *sine quâ non* before proceeding to lay out borrowed money, and the exact fulfilment of all the requirements it involves should everywhere be made obligatory, and no portion of the loan should be appropriated in any province not conforming to this rule.

50. Under this conviction it seems to me quite essential that the practice of blending the charge for land revenue with that for water should everywhere be absolutely given up, and that in all cases a specific separate water rate should be fixed and accounted for as the revenue due to irrigation. The adoption of this system has for some years past been ordered by the Secretary of State, but I believe it has hitherto been but partially enforced in any part of India. In the North West Provinces the recent orders of the Government of India have distinctly required a complete separation of the two elements of income, and have laid down the principle that the revenues due to the canal shall be separately accounted for as such. Till now, however, the distinction has not been properly attended to. Like remarks will apply, but in a much stronger form, to the Madras Provinces. In some few

districts, a separate water-rate is charged, but the rule has been to levy a consolidated rate, which includes both land revenue and the charge for water. The consequence of this state of things is, that it is quite impossible to form any just opinion as to the strict financial results of the Madras Irrigation Works. The returns of profits submitted exhibit the aggregate sum by which the net land revenue has been increased since the works were undertaken. Obviously such a standard of calculation is most imperfect and most fallacious. I do not at all question the generally useful and remunerative character of these works, but it is a plain fact that their exact financial result is still quite unknown.

51. It would naturally be everywhere left to the Local Government to determine the precise manner in which the distribution of charge between the land and water revenue should be made. It is a matter of no importance for the purposes now under consideration how the separation is made, whether in the accounts with individual cultivators or village communities, or whether only in the collectors' books. What is desired does not bind down the Government to any particular system of collection or administration, it requires only that in the final Revenue Accounts a specific sum should be credited as the income due to Irrigation Works, such sum being reckoned on the actual quantities of water supplied, and its results in increasing the profits of the cultivators. There can be no question that in all new works the best and simplest course will be to fix separately the charges for irrigation as ordered by the Secretary of State, and this should be strictly enforced in future.

52. In order to arrive at a complete solution of the question whether any given Irrigation Work is properly remunerative or not, another point has to be considered, namely, what is the interest charge fairly debitable to the work, having regard to the capital laid out upon it. It will plainly be impracticable to attempt to maintain any distinction in the accounts between capital obtained from the new loan and applied to any work, and money otherwise obtained and applied (as from the current revenues) either before or after the new system is adopted; for instance, in addition to the sum of about 2½ millions that has already been spent on the Ganges Canal, a further outlay of, say, ½ of a million may probably be required to complete the works. It would be a most needless complication, if not an actual impossibility, to keep separate accounts of the two classes of outlay, on one of which interest would now definitely become chargeable as a new burden. Equally impossible would it be to distinguish that part of the charge, the funds for which were provided from the ordinary revenues of the year, on which no direct charge for interest would arise.

53. It appears therefore that the only practical course to follow in estimating the interest charge on any work of this class, will be to take into account the entire outlay in the nature of capital on such work, and to consider the income specially charged with the payment of interest on an equivalent amount of public debt. It will be a question for consideration in detail what rate of interest should be thus reckoned on the capital. The simplest plan, no doubt, will be to charge the whole amount sunk at one rate to represent the average rate of the present debt, making due allowance for the sum that may have been provided from current revenues, on which no interest charge accrues. Probably 4 or 4½ per cent. may thus be fixed as a fair present standard.

54. This arrangement will involve no interference with the present system of public account, or any other that may be adopted. The whole of the actual receipts and disbursements may remain under the head of Land Revenue, Public Works, or Debt, as at present. What is proposed is only that a separate statement shall be drawn out yearly, to show what is the practical result of the Irrigation Works as a whole, regarding the entire capital sunk on them as a portion of public debt at a given fixed rate of interest. According as the net income exceeds, or is less than this interest charge, the financial result will be satisfactory or otherwise, and with such a standard of comparison a perfect check may be maintained on the general result of the operations of the Irrigation Department.

55. It will be a question for consideration what exact works, or classes of works, shall be brought forward in such a Revenue Account. It might, for instance, be expedient to omit altogether such works as the minor irrigation tanks in the Madras Presidency, and to deal only with the more strictly engineering works in the deltas of the large rivers. All that is essential is that no expenditure from the loan be permitted on any work unless subject to the condition that full accounts of the entire result of that work be submitted in the way specified. It will be practically more convenient to treat the works in classes than according to individual cases, and it seems right to declare that if any work of a class receives aid from the loan, the whole class shall be brought into the special Irrigation Revenue Account.

56. It may be as well to add, that I have no intention in what has just been said of implying that tanks, as such, should be excluded from the operation of an Irrigation Loan. Clearly there can be no reason for rejecting any class of works fitted for their object; and where it is expedient, grants for tanks should be given, but always subject to the condition of specific accounts of the income and expenditure being rendered for comparison with the capital sunk.

57. The accounts to which I refer should be regularly rendered through the Accountant General, Public Works Department, and submitted to the Secretary of State; and it would be an important duty of the Government of India to watch the condition of the balance between

between the income and expenditure, and to take all needful measures to ensure economy in working, and to prevent the outlay on works of irrigation remaining unproductive or leading to a permanent charge on the revenues. In this point of view, also, it should always be a condition precedent in taking up any project for Irrigation Works, that reasonable proof should be given that the returns would at least cover the interest on the capital required for the construction.

58. I now pass on to the last part of the subject, viz., the administrative steps to be taken in carrying out such a scheme for applying money raised on loan to the construction of Irrigation Works.

59. And, first, it will be well again to state the great end to be aimed at. It is the development of a system of irrigation on such a scale, and so distributed, that the best possible safeguard shall be given, compatible with the sum of money available for expenditure, against any general disaster from a season of drought. In order, therefore, that all parts of British India shall be protected from famine, it will be desirable to secure in every province or region a certain area of land, which by aid of artificial irrigation can confidently reckon on maturing its crops, and maintaining its agricultural population and their cattle, irrespective of the vicissitudes of the ordinary seasons. From such protected areas a limited but sufficient supply of food might be distributed to neighbouring less-favoured localities, and a general immunity from the worst form of famine obtained.

60. In practice such an ideal dissemination of Irrigation Works must of course be limited by many considerations of economy and engineering convenience. Thus districts specially liable to drought would call for prominent attention. Projects already partly executed, or the designs for which were matured, might reasonably be first completed or taken up for construction. Special facilities for irrigation would properly be taken advantage of before more doubtful or difficult schemes were entered upon. The financial consideration of relieving the charges on the revenues by obtaining a full return on outlay at the earliest possible time should never be lost sight of. The adjustment of these various and almost conflicting calls will require the careful consideration of the local officers, by whom alone such schemes could be prepared and perfected.

61. It is too obvious to need more than a passing remark, that the entire responsibility of maturing and proposing any such schemes of works will rest with the Local Governments. The only duty of the Government of India will consist in seeing that due attention is given to such general principles as may be adopted by Her Majesty's Government for the regulation of the works to be taken up under the loan, and for the equitable distribution of the available funds among the various objects and localities in behalf of which aid is demanded. This general supervision would be completed under the Secretary of State in Council.

62. In carrying out such a system of works it will be important that whatever is done shall be in the way of gradual and systematic development rather than of sudden effort. It will be apparent that such an outlay as has been proposed will require, in the first instance, a sensible increase to the Public Works Establishments during the construction of the works, and subsequently a permanent addition to provide for their maintenance when they are completed. Having regard to the heavy demands certain to arise during the next four or five years in connexion with the building of barracks, it is impossible to reckon on any considerable supply of engineers being available for the extension of Irrigation Works within the ranks of the existing Public Works Establishments. Early measures must therefore be taken to supplement the engineer branch of the department, and a corresponding addition in the subordinate or overseers' class will at the same time be required.

63. The preparation of designs for Irrigation Works can only be entrusted to officers having a special knowledge of this branch of engineering, and such persons can only be obtained from among the servants of the Government in India, as it is only in this country that English engineers have the means of obtaining experience on such works. And though it is true that a few officers capable of preparing designs would soon find occupation for many executive officers, yet the comparatively small number of persons so qualified and the caution and deliberation requisite in entering on any projects which involve the risk of a large permanent charge on the revenues, will certainly lead to the lapse of a considerable length of time before matters are so far advanced with the preparation and sanction of projects as to allow of the prosecution of work on a large scale. On the whole, under the most favourable circumstances very active steps can hardly be taken in the manner contemplated within the next two or three years, and during this period the Local Governments would be usefully employed in reviewing any existing projects of the class to be dealt with, and in preparing fresh schemes for future execution.

64. It may conduce a more complete apprehension of the practical scope of the present proposals if I here endeavour to show in a somewhat definite manner what will be the probable demands for establishments in connection with such an expenditure as I have proposed. It will be the more useful to do this, because some persons have considered that there will be difficulty in extending the operations of the Public Works Department so as to take up the administration of a scheme of irrigation on a plan of such magnitude as to provide for the wants of the country at large.

65. The total expense of the irrigation establishments in the North Western Provinces for the year 1862-63 was about $4\frac{1}{2}$ lakhs, and this is a sufficient approximation to the present scale of charge. The works provided for represent a capital of about $2\frac{1}{2}$ millions, or 225 lakhs. The annual charge for establishments will therefore be about 2 per cent. on the capital. The annual charge on the Baree Doab Canal, representing a capital of one million, is about $2\frac{1}{2}$ lakhs, or $2\frac{1}{2}$ per cent. On the Eastern and Western Jumna Canals the first cost relatively to their irrigating capacity has been much less than that of the Ganges and Baree Doab Canals; the establishment charges are consequently higher, and stand at about 5 per cent. It will be safe to take $2\frac{1}{2}$ per cent. as an approximation to the truth. I have estimated that $6\frac{3}{4}$ millions might be spent on Irrigation Works in the North Western Provinces and Oudh, and at the above rate the corresponding yearly charge for establishment would be about 17 lakhs additional. The existing establishments of all sorts in the two provinces named cost at present about 16 lakhs, so that the strength might probably have to be doubled.

66. The calculation may be made in another manner. The charge for establishments required for construction may be considered to be about 15 or 20 per cent. on the cost of the works. If we suppose the expenditure on each separate work spread over five years, this will give an establishment costing yearly three or four per cent. on the whole ultimate outlay. The establishments required for maintenance will be sensibly less than those employed on first construction, and it may fairly be reckoned that $2\frac{1}{2}$ or 3 per cent. would be sufficient for carrying on the canals when completed.

67. A like conclusion follows from considering the probable proportions between the income and charges on a finished canal. Judging from the Eastern and Western Jumna Canals, the whole of the charges on such works for maintenance is about a quarter of the gross income, and about two-thirds of the total charge is due to establishments. On a capital of 100 lakhs, the gross income being 15 per cent., the total of charges would be $3\frac{1}{2}$ lakhs, and the establishments $2\frac{1}{2}$ lakhs, as before.

68. The existing establishments of the Irrigation Department in the North Western Provinces, costing $4\frac{1}{2}$ lakhs yearly, consist of 32 officers of the engineer branch. At the same rate of charge about 120 officers more would be required to make up an establishment costing 17 lakhs. Also the total number of officers employed in the North Western Provinces and Oudh is now about 103, costing 16 lakhs. This indicates a probable number of about 110 officers additional, for completed works costing $6\frac{3}{4}$ millions, on which the annual charge for establishments might be 17 lakhs.

69. It may then be generally reckoned that in these two provinces an addition of 100 officers of the engineer grade might be necessary; and at the same rate for all India, after an expenditure of 20 millions had taken place, about 300 additional engineers of all grades might possibly be required. It is, however, most likely that the above estimate is in excess of the truth, as it would obviously not be necessary to increase the establishments directly in proportion to the increased extent of the works.

70. The present number of engineers of all classes employed in all India is about 580, so that the probable increase of establishments would amount to, say, 50 per cent. on the whole. The largest increase would of course take place in the first four or five years, and the chief part of the demand must obviously be met by obtaining civil engineers from England. The eventual recruiting of the establishments could cause no difficulty, as the whole number required year by year would not be likely to exceed 30 or 40, including the supply of Royal Engineer officers, the present supply being, say, 20 or 30 yearly.

71. It will be apparent from the foregoing remarks that the addition to the establishments, consequent on the construction of works on such a scale as I have supposed, will be large, and might lead to the necessity for some modification of the existing system of Public Works administration. But a very slight change would suffice, I think, to meet all the requirements of the case. By entirely separating the irrigation branch of the department from the other branches, and having a distinct chief engineer and superintending staff, and by conducting the irrigation business through a separate secretary to the local government, the needful expansion of operations could be carried out without the least difficulty. The Public Works Secretary to the North Western Provinces Government at present controls establishments costing 13 lakhs, and comprising 85 officers. The estimated charge for the establishment of an Irrigation Department having charge of the whole of the North Western Provinces and Oudh would be about 20 lakhs, with 120 officers, or half as much again as the entire existing Public Works charge of the North Western Provinces. Considering that the work would be exclusively of one description, I think that such a department could be managed quite easily, though if any difficulty arose a sub-division of the territory between two chief engineers of irrigation would be quite simple, and this would probably under any circumstances be found expedient. In point of fact such an organization has already been almost completely adopted in the North Western Provinces, and the entire separation of the irrigation branch of the Public Works Department might now be made at any time that it is thought desirable without the least trouble.

72. I have thought it best to illustrate the discussion of this part of the subject by special Preference to the North Western rovinces, because it will place the whole matter in a more definite and real form than if I had dealt with the whole of the establishments of India in
one

one body. The administration of the Public Works Department is already essentially localised, and daily tends to become more so, as the financial requirements of the Government of India become better understood, and the system of account better worked out. In proportion as the local establishments become larger, it will further become possible to make a final distribution of the engineers to all the local governments, as is now the case with Madras and Bombay, but which has not yet been considered practicable in dealing with the Lieutenant Governorships. This, when done, will sensibly reduce the number of references to the Government of India, and facilitate the working of the Administration.

73. I feel no doubt, then, that by a suitable modification of the existing system, which would in truth be hardly felt as a change, we could obtain the expansion of the operations and strength of the Public Works Establishments requisite for the development of the contemplated scheme of works. It will, as I have already said, be the best plan to allow any such modification of system to follow rather than precede the commencement of actual operations, and the creation of a separate Irrigation Department under the local governments should only be permitted when the works are so far extended or advanced as plainly to require a distinct agency to control them. To what extent the special conditions under which Irrigation Works are managed in various parts of India will necessitate an absolute separation of administration, I do not pretend to say; and possibly some other expansion or alteration of the local departments may be found better suited to the circumstances of some provinces than that which I have indicated as applicable in the North Western Provinces. But anyhow there seems no reason to doubt that some practicable system may be found.

74. I may just allude to the possibility of the future formation of a special department under the Government of India to deal with this branch of the public works business. If it be found necessary at all, it will probably not be for some years to come, and the matter is not one that calls for any present comment.

75. Before leaving this part of the subject it is also right that I should again plainly point out that the financial stake at issue in the economical construction and maintenance of works such as these will be a really serious one. It would be most wrong to enter upon a policy of this sort without very distinctly examining the contingent expenses that will be involved in it, and especially wrong on my part to withhold a full statement of what these expenses are likely to be. At the rate of charge which may reasonably be expected, the establishments required for a system of works costing 20 millions would not cost less than 400,000 £. or 500,000 £. yearly; the charges for maintenance would be not less than 200,000 £. or 300,000 £. more; in all from 600,000 £. to 800,000 £. The interest on the capital would be one million. Therefore the total gross charge might be over 1½ millions, possibly two millions. This, then, is the sum that has to be recovered by increased revenue. That it may be recovered, and a sensible surplus besides, is, I believe, a perfectly safe calculation; but the stake is so large that the greatest caution is assuredly called for in every step that is taken in carrying out and managing the works.

76. I have before said, that merely on financial grounds, it seems to me desirable that a specific sum should be provisionally assigned to each province, within which its proposals for Irrigation Works should be limited. The administrative aspect of the question leads distinctly to the same conclusion. It will practically be necessary to limit the yearly outlay within a certain sum, and it might be assumed that the yearly appropriation would be restricted to one-tenth of the whole loan, or to two millions. The local governments would thus have to prepare a scheme of works under which the whole of their expenditure from the loan would be arbitrarily fixed in the first place, and the yearly outlay limited to one-tenth of the whole sum assigned to each. Of course there would be no use in requiring that a complete proposal should be sent up embracing the whole of the grant, and any project could be put forward on its merits within the total allowed. Neither would any very rigid adherence to the rule as to the yearly expenditure not exceeding one-tenth of the whole be necessary in practice. But some such indication of the terms on which the grants would be made would greatly assist the local authorities in framing their schemes, in avoiding useless investigations, and in giving steadiness to the yearly outlay on the works without which the economical application of funds and employment of establishments is not possible.

77. The first practical step to be taken by the local governments under the contemplated arrangements would be to prepare suitable projects for execution. In setting about this, it should be most prominently held in view, that no scheme should be entered into which did not exhibit strong *prima facie* evidence of being practicable and sufficiently remunerative, and that a jealous watch should be kept against waste of time and money on investigations into fanciful projects, taken up in an inconsiderate manner. Equally important will it be to resist every tendency to go into undertakings because the means of carrying them out are available, rather than because they are truly necessary for the progress of the country. In these respects a serious responsibility will rest on the local authorities. Simultaneously with the sanction of such designs the necessary authority for obtaining the requisite increase of establishments should be sought. Some moderate special staff might at the outset be allowed to prepare these preliminary reports and demands. The authority of the Secretary of State having been given to the commencement of the works, and a grant of money having been made, everything would thereafter go on without hindrance.

78. To indicate in a more definite manner the mode of going to work which I have before my mind, I may again take the North Western Provinces as an illustration; observing that in doing so I do not at all desire to put forward my own opinions as to what should actually be done, but only wish to show the nature of the process by which I conceive the systematic extension of Irrigation Works may best take place.

79. The recent orders of the Government of India as to the position of the chief engineer of Irrigation Works in the North Western Provinces, and of the superintending engineers, have already prepared the way for what has now to be done. The chief engineer has been relieved of all details of business, and complete responsibility placed on the superintending engineers. As the works are extended, a corresponding addition to the number of superintending engineers will allow of the disposal of details, without trenching on the time of the chief engineer.

80. The first matter to be attended to in these provinces is the re-modelling of the Ganges Canal. The estimates have been submitted and orders will shortly be passed upon them by the Government of India. A distinct scheme for carrying out the operations has been called for, and any needful increase of establishment thought necessary in connection with these works should be at once provided for.

81. The detailed designs for the re-modelled works will have to be prepared under the chief engineer. For this he should have a suitable subordinate staff. This staff would henceforth become a permanent addition to his office, to assist in the preparation of new projects.

82. An officer has already been placed in charge of the Irrigation Works in Rohilkhund. He should receive such moderate additions to his staff of assistants as will admit of the speedy execution of all needful preliminary surveys, from which a conclusion may be formed as to the more exact enquiries to be put in hand. In personal communication with the chief engineer the condition of the existing small canals should be discussed, and any needful steps should then be taken to complete them, or make them more effective.

83. Later, specific surveys and projects for additional works might be put in hand. The formation of permanent head-works for the Ganges Canal should be taken up in connection with the possible formation of a canal on the left bank of the Ganges into northern Rohilkhund.

84. A preliminary investigation should also be made, as soon as a competent officer becomes available, into the best way of dealing with the waters of the Sarda and Gogra in connection with an Irrigation Canal for Oudh and the districts of the North Western Provinces between the Ganges and Lower Gogra. This will be a very important work and will require much time and labour for its completion.

85. For several years to come the above will without doubt give full employment for the Irrigation Department between the Ganges and Gogra. Hereafter the districts north of the Gogra might also be examined.

86. The officers of the Eastern Jumna Canal should take up in concert with those of the Western Jumna Canal, as early as is convenient, the project for permanent head-works for these canals. The execution of this work may probably be best left with the Eastern Jumna Canal staff, as the works of the Western Jumna Canal still require a great deal of attention, while the sister line in the Doab is in a fair state of completeness.

87. As early as possible a selected officer should be deputed to Bundelkhund to resume the development of Irrigation Works in those districts which are in special want of such protection. The operations here would most likely mainly involve the formation of numerous small reservoirs, though the larger streams may be found to give a perennial supply of sufficient volume to make it profitable to draw canals from them also. The intermixture of Foreign with British territory in this province may render necessary some special arrangements before work is taken up. But if the Foreign States would agree, as it is probable that they might, to allow the British Government to undertake works of joint utility, the idea of obtaining water under such circumstances should not be rejected. Some preliminary negotiations in this sense may be desirable in case of a first examination indicating the probability of satisfactory results from any such joint work.

88. The suggestion lately made by Captain Crofton, that a dam should be formed on the Jumna below the junction with the Hindun, seems another scheme calling for early attention, both as regards the interests of the lower part of the Doab and of the districts of Muttra and Agra, to which water might probably be led from such a work. The improvement of the Eastern Jumna Canal as a navigable line also will have to be attended to.

89. Lastly, the possibility of utilising the waters of the Ton-e and other neighbouring rivers in the districts of Allahabad, Mirzapoor and Benares might be investigated. This would complete the circuit of the districts of the North Western Government.

90. The gradual investigation by properly qualified officers of the schemes above referred to could be carried out without making any important increase to the strength of the establishments. As soon as any work was put in hand on a sufficiently extensive scale an additional superintending engineer could be nominated to take charge of the details of design

design or construction, and eventually if the necessity were shown to exist, the general supervision of the works might be divided between two chief engineers, both of whom would be subordinate to the officer in general charge of the Irrigation branch of the department under the local government.

91. As these investigations proceeded, and the works designed consequent on them were put in hand, a gradual extension of the executive staff would take place, and when the time should seem ripe for the separation of the irrigation branch from the rest of the Public Works business, the chief engineer of Irrigation Works would become a separate secretary to the local government for this special department.

92. It seems probable that the convenience of the administration will be best served by maintaining a single accounts office for the whole department, though any special subdivision of the establishment might readily be made which was found to conduce to the satisfactory despatch of business, and the maintenance of the needful financial control over the results of the works, the great importance of which I have more than once urged.

93. The above will sufficiently illustrate the manner in which I view the proper mode of dealing with the general question. It should be on some such review of the probable requirements of the several provinces that a preliminary distribution of the sum named as the first limit for an irrigation loan should be made among the various Governments. My own estimate, already given, is confessedly too vague to serve for anything more than a general guide to a decision as to the *total* sum to be fixed. The local governments should be requested to form the best calculation in their power of the sums they could usefully spend within a maximum of five or six millions each during the next ten years, stating in the most definite way possible the nature of the works they propose, and the grounds on which their estimates are based. On these data the Government of India and the Secretary of State could settle a first appropriation of whatever sum be named, as the limit of a loan, and the local authorities could then proceed to prepare definite projects for the works to be taken up. I have already fully stated the views I hold as to the principles on which final authority should be given for commencing operations, and with these explanations as to the system that might be adopted in putting the whole scheme into action, I close what I have to say on this part of the subject.

94. For facility of reference it will be convenient if I briefly recapitulate the principal points discussed and conclusions adopted in the foregoing paragraphs:

I. It is first shown (paras. 6-15) that the probable sum to be regarded as available for Irrigation Works from the ordinary annual income does not exceed 30 lakhs for all India, and that 50 lakhs is an outside sum.

II. That the sum likely to be required for a proper extension of this class of works in the next ten years is not far from 30 millions (paras. 16-19); and that a loan of about 20 millions would be necessary to carry out the works with satisfactory vigour.

III. That to contract such a loan for this purpose would not bring financial discredit on the Government, and would be far less open to objection financially than the operation of giving a 5 per cent. guarantee on 70 millions of railway capital (paras. 20-25).

IV. The necessity for specifically limiting a loan for such objects is shown, and 20 millions proposed as the sum to be fixed for the next 10 years (paras. 26-32).

V. The special precautions necessary, in raising and applying such a loan, are discussed (paras. 33-37), and definite regulations suggested for the purpose (paras. 38-44).

VI. The extreme importance of requiring exact accounts of income and outlay of all works constructed from the loan is affirmed (paras. 45-49).

VII. The necessity for the separation of the charge for water from that of land revenue, in the public accounts, is urged (paras. 50-56).

VIII. The Government of India should carefully watch the Revenue Accounts of all Irrigation Works, and no work should be allowed to be begun which does not promise to be fairly profitable (para. 57).

IX. The end to be aimed at in carrying out works as proposed, will be the protection of the whole country from the worst consequences of famine (paras. 58-60).

X. Works to be originated by the local governments and taken up by degrees (paras. 61-63).

XI. Probable requirements for works costing 20 millions, in respect of establishments discussed (paras. 64-68); and probable increase of about 50 per cent. to the present total strength shown to be necessary and practicable (paras. 69-70).

XII. Such an increase would be quite compatible with the efficient working of the present system of administration (paras. 71-74).

XIII. The general financial result of such works stated (para. 75).

XIV. Practical measures to be adopted for carrying out such a scheme illustrated and explained (paras. 76-92).

95. The discussion of the various subjects which have been under consideration in the course of this inquiry, has then led me to the conclusion, that the State cannot attempt to take up the construction of Irrigation Works on a scale of sufficient magnitude, without having recourse to a loan to supplement the funds available from the ordinary revenues. I have indicated the sum the expenditure of which seems to be necessary for satisfactory progress, and what precautions should be taken to secure the proper application of a loan, and the economical construction and management of the projected works. These proposals constitute, I believe, a practical scheme, such as has been asked for by the Secretary of State. The important question, however, still has to be answered, whether, having in view the obligations of the Government to the country to provide works of Irrigation on the one hand, and the financial risks that seem inseparably bound up with State operations, on the other, the conclusion before adopted, chiefly on an administrative view of the subject, shall or shall not be confirmed.

96. To admit of a satisfactory answer being given to this question, it will be desirable to examine, as precisely as can be done, the liabilities which the Government would incur by the adoption of the policy, an outline of which has been sketched out. And in the first place it is necessary that I should point out that the figures I have used throughout my argument, have been intended to represent outside sums. For the reasons already explained, many difficulties and delays must attend the commencement of such a system of engineering works, and the actual expenditure during the first five years would, under no circumstances, be likely to come up to five millions. In the first 10 years a total outlay of 15 millions would be a large sum. At this rate, for the first five years, the interest charge might average, say 10 lakhs yearly, with a maximum of 20 lakhs; and for the second five years, might average 50 lakhs, with a maximum of 75 lakhs. It will, I think, be reasonable to reckon that under a system such as has been proposed, the revenues from Irrigation Works in actual operation will, in these intervals, have so far increased as to meet the needful increase of charge on account of additional establishments, &c., for new works, so that the maximum additional charge at the end of 10 years is not likely to exceed 75 lakhs.

97. For my own part, I cannot look upon this as constituting any real financial difficulty. In the first place, supposing that there were absolutely no increase of ordinary revenue mean time, or that the increase were absorbed by other increased charges, still a sensible portion of this interest charge could be met from the ordinary Public Works allotment, on the present standard, which, as I have pointed out, might be made to bear a charge of something like 50 lakhs yearly. In the next place, if it were really necessary, there could be no more reasonable ground for temporary additional taxation than the provision of funds for such works. Lastly, the charge for interest, so far as necessary, could be met directly from the loan without the smallest objection. It is purely a question of detail, so far as the position of the Government is concerned, whether the interest be paid from one nominal fund or another. In point of fact, the works to be constructed will actually cost not only the sums directly applied to them, but, in addition, the interest paid on that sum until they become remunerative. Supposing any individual work to take five years to complete, and five years more to elapse before it produced a net income of 5 per cent., the interest sunk might approximately be reckoned at 5 per cent. for five years, or 25 per cent. on the whole outlay. In many cases it would be less than this, and in some more, but the above hypothesis may fairly be taken as an average result. If this interest be met from the revenues, year by year, it is obviously equivalent to a direct contribution of the same amount being made to the new works from that source; if the interest falls on the loan, the whole charge appears against it. *In either case the cost is identical, and the only essential consideration is, whether the works when constructed are really worth the whole sum required for them.* Exactly the same thing will be the case if the works were undertaken by a company.

98. The fundamental point therefore that requires such careful attention is not, how shall the interest of an Irrigation Loan of 15 or 20 millions be paid for the next 10 or 15 years, but will the works in the end be really remunerative, allowing for the sum sunk in interest, before they come into full operation. If the reply to this last question is in the affirmative, the Government need have no difficulty in borrowing whatever money is necessary, and at once entering on the construction of the works; and here, in fact, is the point where doubt may arise. It is obvious that no conclusion can be come to either way, that is not more or less founded on conjecture. I have already stated my own belief that with proper caution, the works to be carried out with the proposed loan might certainly be made directly remunerative, though great care will be necessary to ensure this. It cannot be denied that there is risk of disappointment in such operations, but what evidence we have is much in favour of Irrigation Works properly designed, executed, and managed, proving highly remunerative as an investment of capital.

99. For these reasons I consider that whatever be the eventual amount which the Government might determine to raise by loan for Irrigation Works, the only considerations, so to speak,

speak, of real moment are, that the projects taken up shall be sound, and that the works when brought into operation shall be made remunerative. It will be impossible to lay too much stress on this last-mentioned condition, which should be regarded as the fundamental principle on which the management of an Irrigation Department should be worked, just as the maintenance of the equilibrium between income and expenditure is of primary importance for a proper administration of the finances.

100. The limitation of the sums to be raised by loan, as it seems to me, is rendered desirable, not so much on any considerations of finance, properly so called, but because by such a restriction of the funds greater care will be enforced in their application, and closer attention can be paid to economy in administration.

101. Lastly, in weighing the moral obligation that rests on the Government to provide Irrigation Works for India, we not only have to regard the contingent danger of financial embarrassment arising from the works proving unremunerative, but likewise the serious administrative difficulties that stand in the way of handing over their construction to private persons or companies. It will not admit of dispute that the Government must either heartily enter the field on its own account, or give every facility to private capitalists to carry out this class of works. The final question, therefore, becomes this:—Are the financial risks to the Government, likely to arise from its undertaking Irrigation Works on a sufficient scale, so great as to make it expedient to face the many grave difficulties that beset the entrusting their construction to private persons? The answer seems to me quite easy, that the risk would be almost nominal, and that the objections to placing the agricultural population in the hands of private capitalists for the supply of water for irrigation are palpable and have never been met. Nor, in reckoning the risk of failure, is it reasonable to disregard the advantages to be secured by success. If there is any one thing which the British Government may be fairly regarded as bound to do for the people of India by all the laws of good government, of civilization, and of humanity, it is to take all practicable measures to secure them from the greatest physical calamity to which mankind is liable—the curse of famine and starvation. That a remedy almost complete is to be found in the sufficient extension of Irrigation Works is the general belief of the persons best qualified to judge of such matters, and in that belief I fully participate. If some financial risk has to be faced for such an object, surely the arguments for so doing are at least as strong as those which have induced the Government to involve itself in liabilities probably ten times as great for the purpose of introducing railways into India. And should some actual additional charge have to be met for a few years to secure such an end, there is no object on which the revenues of the country can be more righteously spent than that of providing the agricultural population with a permanent protection from the most terrific calamity that can fall upon them.

(signed) *R. Strachey*, Colonel, R.E.,
Secretary to Government of India, Public Works Department.

Calcutta, 10 February 1865.

Enclosure 2, in No. 3.

MINUTE by His Excellency the Governor General of India.

I QUITE concur in the force and validity of the arguments adduced in Colonel Strachey's Minute of the 10th instant, in favour of the State undertaking a series of Irrigational Works in India. I have always advocated such measures. It appears to me absolutely incumbent on the State either executing such works, or allowing private companies to do so; while I have always seen very grave objections to the latter course.

2. If we are to have canals, we must raise the capital required for such works. The revenues of the State are utterly unequal to afford money for such projects; while there are none which could be devised, which are calculated in a country like India to produce so much good to the people, while they give security to the present canal revenue, and add to its amount without increasing the weight of taxation generally. All that is required to insure these great benefits is that the projects be judiciously selected, and the works carefully and economically constructed, and when completed, that such rates be established and enforced as will repay the State liberally, while they leave a fair margin of profit to the landholder and cultivator. Within this last-mentioned limit the more revenue these canals and tanks can be made to yield, the better for the general tax-paying community. To this end a vigorous and effective system of administration for such works must be created and improved.

3. Having said thus much, I will only add that I agree in all Colonel Strachey's details, and would at once again address the Secretary of State on this important subject. The capital should doubtless be raised in the English market from year to year. I do not anticipate that much can be spared out of the annual revenues under present circumstances, but what we can spare should be annually forthcoming.

4. Under such a system as has been sketched by Colonel Strachey, the State ought to be in a position, within from five to 10 years after the completion of any work, to commence repaying the cost of construction.

20 February 1865.

(signed) *John Lawrence*.

— No. 4. —

FINANCIAL DESPATCH from the Secretary of State to the Government of India
dated 30th November (No. 266) 1865.

Sir,

Para. 1. I HAVE considered in Council your Public Works Letters, dated the 6th January and 9th March last, Nos. 3 and 29 respectively, relative to the construction of Irrigation Works by Government, and the mode of providing for the expenditure thereon.***

2. I had stated in my Public Works Despatch of the 8th August 1864, No. 39, my opinion that Irrigation Works are of the utmost importance in India, that they should be undertaken by the State, rather than by private companies, and that, if the surplus income and available balances should be insufficient to supply the necessary means for constructing such works within reasonable time, additional funds should be raised to meet any deficiency by means of loan.

3. Your letter of the 9th March last, forwarded an able and elaborate note by your Secretary in the Public Works Department, enumerating several works of irrigation which he considered might be usefully constructed, and submitting a scheme for the appropriation of very large sums for that object. It is therein stated, in very general terms, that an amount of from 40 to 50 millions sterling might be advantageously expended on works of irrigation. A rough distribution of such works in different parts of India is sketched out, and certain rules for the appropriation of the sums to be raised are suggested.

4. There is, however, not even an approximate estimate of any of the works proposed, founded upon any survey or knowledge of the localities in which they are to be constructed, and there is no apparent reason for supposing that the sums assigned for the projected works would cover the cost of executing them. I do not for a moment consider that it would have been possible to frame estimates at so early a stage of the proceedings; but, so far as appears from the papers which you have forwarded, the proposition of your Government resolves itself into little more than that a large sum of money should be borrowed in this country, and placed at the disposal of your Government, and that the mode of expending it on Works of Irrigation should then be devised, the works determined on, and plans and estimates for them prepared.

5. That such a course of proceeding is the very reverse of the proper one, and would be highly injudicious, is, I think unquestionable. Its dangerous tendency to promote extravagance is well pointed out in Colonel Sirachey's note, where it is observed, "It is one of the most weighty arguments against the adoption of the policy of borrowing money to carry out public works, that it too often leads to a reckless prosecution of schemes which are made to appear in very favourable colours by their projectors, and which are taken up for execution under feelings of excitement or enthusiasm, but which in the end prove to be failures."

6. It is only on condition that Works of Irrigation should be so constructed as to be remunerative to the extent at least of defraying the interest of the capital expended in constructing them, that in the present financial state of India they can properly be undertaken. In order to ensure this end, it is imperative not only that the nature of the works but the detailed plans should be deliberately considered and scrutinized. There is hardly a large work of the kind in India as to which great difference of opinion has not arisen, both as to the mode of execution and the amount of the return from the outlay.

7. It is unnecessary to refer to various other cases; but the discussions which are still going on in regard to the works which have been executed, and are to be executed, on the Ganges Canal (where two of the ablest and most experienced engineers in the service have differed on most essential points, and the report of a third very able engineer, and his proposals as to the mode of expending a further sum of about a quarter of a million for the purpose of improving and completing the canal works, are condemned in the strongest terms by one of the engineers referred to), show how indispensable it is that the plans for such works should only be determined on with the greatest caution.

8. The

8. The returns, or I should rather call them the estimates of the returns, for the outlay on the different canals and Irrigation Works, are equally uncertain and unsatisfactory. In an "Abstract Statement of Remunerative Works in Madras from 1857-58 to 1862-63," signed by Colonel Strachey, and presented to the House of Commons in the last Session of Parliament, certain Irrigation Works in Madras are represented as yielding a "net income for the year, after paying 4 per cent. interest on capital," reaching from 0.3 to 729.9 per cent., while others show net charges, varying from 0.3 to 54.3 per cent. In the printed "Papers on the Revenue Returns of the Canals in the North-West Provinces for 1862-63," is a table showing the balance of charge or income arising from the eight canals in the North-West Provinces and the Punjab, from which it appears that, after including 5 per cent. on the cost of the works, four of those works showed a balance of charge of 10,56,844 rupees, while the remaining four gave a balance of income of 2,64,752 rupees, the result, taking the whole of the works, being a charge of 7,92,092 rupees for the year 1862-63.

9. It is obvious that, while a well-considered scheme may be eminently advantageous, an ill-devised plan may lead to very unnecessary expense, and thus render the work very unprofitable. There is a further objection to undertaking works on a very large scale, which was pointed out in your Financial Letter, dated the 9th April 1864, No. 53, when you drew my attention to the insufficient supply of labour available for works then in progress, to the rise in the prices of labour and materials, and to the importance of not violently disturbing the labour market; and you referred to the statement made by Sir C. Trevelyan on the 7th April 1864, in the course of which he observed, "Even if the population of India could be equally spread over the whole surface of the Continent, it may be doubted whether the supply of labour would, under present circumstances, meet all the calls that would be made upon it, but, as it is, the obstruction in several important districts is positive and decisive. The most essential point of all is to observe some moderation in public works." "Works which spread over a reasonable period would be attended with general benefit, may, if they are all put forward at once, convulse society, and fail after all, owing to their excessive cost, to obtain the end intended.

10. It seems to me that, speaking generally, the works required are of two characters, viz., first, those which may be described as minor works of irrigation, each of which only costs a small sum, such as making tanks, costing from 5,000 *l.* to 20,000 *l.* or 30,000 *l.* each, and which may probably be executed under the directions of the district engineers; and, secondly, works of considerable magnitude, such as the Jumna or Baree Doab Canals, requiring some years to complete, and a separate management for their execution.

11. With regard to the former class of works, they will probably yield the best return for the outlay, and will certainly do so in the shortest period. No great time is required for surveys and plans for them, and the only circumstances which can affect their progress are, the possible want of labour, and the amount of funds available for their construction.

12. Works of the latter class require carefully devised plans and estimates; and, judging from the experience obtained from the time occupied in preparing the plans and estimates of the Soane Valley project by Colonel Dickens, which occupied apparently two or three years, some considerable time must elapse before any large outlay could be required on this class of works.

13. I observe that a very large increase to the establishment of the Public Works Department is contemplated. Now, it appears to me to be impossible to determine on any plan for works of the latter description, merely on the general grounds contained in Colonel Strachey's note, nor can I conceive that such an increase as is there proposed could be required under any circumstances connected with the progress of the works which I can contemplate to be possible at present. Until matured projects are formed and submitted for approval, no work can be commenced, and the first step to be taken is the survey of the ground, and preparation of the plans and estimates. The course to be adopted is pointed out in paragraph 77 of Colonel Strachey's note:—"The first practical step to be taken by the Local Governments under the contemplated arrangements, would be to prepare suitable projects for execution. In setting about this, it should be most prominently held in view that no scheme should be

entered into which did not exhibit strong *prima facie* evidence of being practicable and sufficiently remunerative, and that a jealous watch should be kept against waste of time and money on investigations into fanciful projects taken up in an inconsiderate manner. Equally important will it be to resist every tendency to go into undertakings because the means of carrying them out are available, rather than because they are truly necessary for the progress of the country. In these respects a serious responsibility will rest on the local authorities. Simultaneously with the sanction of such designs, the necessary authority for obtaining the requisite increase of establishments should be sought. Some moderate special staff might, at the outset, be allowed to prepare those preliminary reports and demands." I am ready to sanction the employment of such officers as may be requisite for this purpose.

14. The second, and not less important, consideration is the mode of providing the necessary funds for Irrigation Works. It appears that the amount which has been provided from the public revenues, and expended on that account, during the last few years, has been about 500,000 *l.* per annum, of which only about one-half has been expended in the construction of new, or in improving old works. That sum is quite inadequate to the expenditure required; and I fully admit that it may be necessary to supplement any grant that may be made from revenue by money to be raised by means of loans. Great care, however, must be exercised in determining to what extent in any prescribed period, and in what way, that measure is to be effected.

15. I do not overlook the fact that borrowing for the prosecution of works which will be more or less reproductive is a very different thing from borrowing to defray the expense of a war, or other unproductive expenditure, and that, to some extent, it may be so considered by the holders of Indian securities, and the probable lenders of money. But, whatever may be the object for which money is raised by loan, the announcement of such an intention inevitably not only depreciates existing securities, but renders it less easy to obtain further loans, and raises the rate of interest at which the money can be borrowed. The effect of thus raising money for the prosecution of public works at a high rate of interest is obviously to increase their cost; and, to avoid this evil, it is indispensable that every effort be used to obtain the money on as advantageous terms as possible.

16. I am not at all prepared to say that further taxation should not be imposed, for the purpose of meeting part of this contemplated expenditure; but, at any rate, it is impossible to determine at present what amount it may eventually be expedient to borrow, or when it will be required. I certainly do not consider that I should be justified in raising a large loan at present, nor am I prepared to announce that I will borrow money in future years at the rate of a million, or two millions, or any other fixed sum, per annum. If, when money is required to be obtained by loan, the market is unfavourable, the amount must be limited to what is indispensable. If the market be favourable, a larger amount might be raised. It is perfectly impossible to foresee what the circumstances of India, or of this country, and of the money market, may be three, or five, or 10 years hence; and I cannot commit myself for so distant a future. I can only repeat my firm conviction of the advantages of Irrigation Works in India, and of my fixed determination to prosecute them as rapidly as possible; but I must be guided as to the actual amount of works to be executed in future years by the circumstances of the time.

17. In pursuance of this view, in considering your Budget for next year, you will have to determine what amount can be provided from the existing income for Works of Irrigation,—whether it will be expedient to impose further taxation, so as to make up for the loss of the one per cent. from Income Tax, (which was appropriated to local works, and which was originally intended to be permanent), or even to a further extent,—or whether the expenditure on all accounts for 1866–67 will require any sum to be obtained by borrowing; and, if this should be the case, it will then remain to be determined to what extent and in what manner it will be advisable to raise the necessary loan.

I have, &c.
(signed) C. Wood.

— No. 5. —

PUBLIC WORKS DESPATCH from the Government of *India* to the Secretary of State, dated 12th September (No. 112) 1865.

Sir,

IN continuation of our Despatch, No. 29, of the 9th March, last, forwarding a proposal for raising money for the general prosecution of irrigation works throughout India, we beg to draw your attention to our separate Despatch, No. 111, of this date, reporting correspondence on the subject of the proposals of the East India Irrigation Company, in regard to the Soane Canal project, from which it will be seen that we have decided to restrict the operations of the Company within the area of the original project for the Soane Canal.

2. In coming to this decision, the Government of India has been influenced by no desire to throw undue impediments in the way of the Company; but on this point we would refer to the 8th paragraph of your Despatch, No. 39, of the 8th August 1864, in which you state that “undoubtedly it would be better that such companies should be encouraged, than that important irrigation works should either not be undertaken at all, or should be indefinitely postponed.” And we would now solicit early orders on the subject of raising money for carrying out such works by means of funds specially raised by the Government for this purpose.

3. We have submitted a scheme for carrying out this object. It was no essential part of that scheme to proceed to borrow, nor even to take powers to borrow on a large scale; it was not intended to proceed to raise money beyond the requirements of projects for which full plans and estimates were ready, nor unduly to hurry forward projects in order to work on a large scale with the money raised, or intended to be raised; on the contrary, in that scheme we have provided for the fullest scrutiny of the projects and estimates for the works to be undertaken, by requiring them to be submitted by the local Governments to us for detailed review, and not permitting any sanction to be given, even by the Government of India, until the project had been finally submitted for your orders. We also proposed to require the progress of the works, and the account of the expenditure, to be supervised and reported on in the same way as those of the works undertaken from the direct savings from the public revenue. For works to be undertaken on borrowed money, of which the interest is secured on the general revenues, we consider some such cautious procedure essentially necessary, to prevent the hasty committal of the Government to immature projects, or any neglect of proper care and economy in the expenditure, which might involve the whole scheme in discredit or discouragement.

4. But if you deem it better to proceed by special loans, to be raised in India for individual projects for the several presidencies, we shall be ready to do our best to work in that, or any other manner you may direct. The advantages of proceeding at once to carry out irrigation works vigorously by Government agency are so manifest, that we have no doubt that any reasonable scheme for so doing will be successful, and we beg therefore for early instructions in such detail as will enable us at once to act upon them.

5. We would accordingly propose, if you think proper to direct this course, that we should at once proceed to raise loans for the completion of the Ganges and Baree Doab Canals, to be applied as grants in aid to the assignment from the Imperial revenues. The amount to be raised might be 30 lakhs by 1st May 1866; 40 lakhs during the official year 1866-67, and 30 more during 1867-68. In all, one million sterling, to complete these canals in three years, with the aid of the usual grants from the Imperial revenues.

We have, &c.
(signed) *John Lawrence,*
W. R. Mansfield,
W. Grey,
G. N. Taylor,
W. N. Massey,
H. M. Durand.

— No. 6. —

FINANCIAL DESPATCH from the Secretary of State to the Government of *India*,
dated 23rd December (No. 285) 1865.

Sir,

I HAVE considered in Council your letter in the Public Works Department, dated 12th September 1865, No. 112, requesting instructions relative to the provision of funds for the construction of works of irrigation, but having fully explained my views on this subject in a recent Financial Despatch, dated 30th November 1865, No. 266, it seems to be at present unnecessary to make any further observations upon the subject.

(signed) *C. Wood.*

— No. 7. —

PUBLIC WORKS DESPATCH from the Government of India to the Secretary of
State, dated 15th March (No. 48) 1866.

My Lord,

WE have the honour to acknowledge receipt of your Despatches as per margin, on the important subject of the construction of Irrigation Works in India. In the first of these you state your views generally upon the subject, in reference to the memorandum by Colonel Strachey which we forwarded to you. In the second Despatch, in reply to a further explanation of our views on the subject, and to the specific proposals we made for raising money for the completion of the Ganges and Baree Doab Canals, you refer us to the first Despatch.

2. From the first three paragraphs of the first of these Despatches, especially when taken in connection with a later Despatch on the subject of the offer of the East India Irrigation Company for the Soane project,* we learn that you are still opposed to the execution of works of irrigation by the agency of private companies; and that you so far agree in the views expressed in our Despatch forwarding Colonel Strachey's memorandum as to approve of steps being taken to carry out works of this kind by the agency of the engineering establishments of the Government.

3. But in other points you express yourself as not satisfied with our proposals; and, as we believe that they have not been clearly understood, we wish to make a few remarks by way of explanation.

4. In the first place, for instance, it is said in the 4th paragraph of your Despatch that we have not even an approximate estimate founded on any survey or knowledge of the localities for any of the works in the list contained in Colonel Strachey's memorandum. But we beg to explain that we have estimates for completing the Baree Doab Canal and the Ganges Canal. For the Sutlej Canal a complete project was prepared by Major Crofton in 1862. For improving the Jumna Canal, we have a rough estimate partly based on surveys, and the same for the Chenab Canal. For some of the Rohilkund Canals, and for several small works in Bombay and the Central Provinces, estimates have been prepared in detail. Most of these estimates are more or less incomplete, and require more or less revision. But this is only in pursuance of the careful elaboration with which we require them to be drawn up. And on the whole so much progress has been made, that it seems to us that it was quite time to arrange definitely upon some system of raising funds to carry out the works. And this was all Colonel Strachey's scheme professed to do.

5. Then, again, it is said (still in the 4th paragraph) that our proposal resolves itself into little more than that a large sum of money should be borrowed and placed at the disposal of the Government of India, and that afterwards the mode of expending it should be devised. Here our intention has been entirely misunderstood. We could not have expected a misunderstanding on a point which

might

Financial Despatch,
No. 266, of 30th
November 1865.
Financial Despatch,
No. 285, of 23rd
December 1865.

* Public Works,
No. 75, dated 30th
December 1865.

might have been supposed to be perfectly secured by the practice of the Government of India, and its precepts to the subordinate Governments, especially taken in connection with the previous correspondence on this subject. It was in fact expressly provided that the money was not to be at the disposal of the Government of India but of the Secretary of State; and again, it was no essential part of the scheme to borrow or take powers to borrow at once. This has been since explained in our Despatch, No. 112, of 12th September last, to which your second Despatch, above acknowledged, is a reply.

6. Under the view you have taken of the intention of the Government of India, as proposing to proceed at once to raise money without being prepared with precise and definite projects, no doubt it was correct to say, as in the 5th paragraph, that such a course of proceeding is the very reverse of proper. But this course of proceeding was never intended by us.

7. Your 6th, 7th, and 8th paragraphs lay down principles concerning the caution necessary in dealing with projects which have always been fully admitted by the Government of India, and are also fully provided for in Colonel Strachey's memorandum.

8. There was never the least intention of committing Her Majesty's Government to an assent to a large loan, on the faith of a list of contemplated projects, some of which probably may turn out, on full investigation, not to be worthy of any actual expenditure. It was only meant to show that such projects were under consideration and might be expected to be matured for execution in due time. Some may ultimately be struck out; others may be brought forward. But it seemed probable, on the whole, that such would be the nature of the programme of work to be done. Supposing this to be the case, a sketch of the general measures was set forth for approval hypothetically, not as committing the Government to any loan, or to any works, or to any increase of establishment, but merely as preparing it for such measures in case of the projects being found satisfactory.

9. In reply to the 9th paragraph, we would remark that it was not meant to spend more upon irrigation works than has been spent on railways. It was not intended to make the increase of expenditure suddenly *per saltum*, but by degrees as estimates are matured. If it is meant to go on vigorously with irrigation works, some disturbance of prices may occur. The object, we think, is worth any trifling risk of this kind; but it does not follow that prices will be greatly deranged if projects are taken up judiciously.

10. In reference to the 10th and 11th paragraphs, it is necessary to remark that no doubt it is proper to construct tanks where they are wanted, and can be constructed with advantage, but it is hardly necessary for such works to make any special financial arrangements. Our proposals had reference rather to those driest tracts of Northern India and most of the deltaic regions, where tanks cannot be used with advantage, and it would be the reverse of wise to spend money to store the water of a scanty and uncertain rainfall where there are rivers within reach, fed by the waste of the perpetual snows of the Himalaya. The object of the Government should, we conceive, be to supply water first where water is most wanted, and to supply it in the most efficient manner consistent with reasonable economy.

11. The 12th paragraph is apparently based on the misconception referred to as appearing in the first part of the 4th paragraph. There are plans and estimates ready, or so nearly complete, that we thought it time to settle how money is to be raised for several large projects. Unless a general acquiescence in this policy be secured, it would be a waste of time, labour, and money, further to mature them. An instance in point is the project for the Sutlej Canal which has been ready since 1862. It was prepared on the recommendation of the late Colonel Baird Smith, contained in his report on the famine of 1861. We have since thought it proper to refer this project to Colonel Dyas for opinion on certain points. But we may have occasion to submit it complete for your orders in the course of a few months.

12. In reference to the 13th paragraph, we would explain that it was never intended to increase establishments until the increase was required. Large works

cannot be constructed without adequate establishments; and it was proper to contemplate the entire series of measures to be ultimately carried out. There was no intention unduly to hasten them.

13. We acknowledge the important provision made (in the end of the 13th paragraph), that establishments may be entertained for the prosecution of surveys and estimates. But we trust that it may not be left in doubt whether means will be allowed to carry out the works after the estimates are ready, supposing them to be approved by you after full scrutiny. What we desired was to point out all the measures which would (each in its due time) be necessary in order to carry out the great work of extending irrigation with due vigour, and to obtain an assurance from Her Majesty's Government that this labour would not be wholly thrown away, involving, as it does, considerable expenditure; but that when the time came there would be no hesitation in giving practical effect to the opinion recorded in favour of vigorously prosecuting the construction of irrigation works by the agency of the Government itself.

14. In the 14th, 15th, and 16th paragraphs, though urging the necessity for caution, we understand that you always have and still do agree with us that irrigation works should be carried out with prudent vigour by the Government. We have no wish to proceed to any rash and hasty financial measures. But we desired to place fully before Her Majesty's Government the cost of fairly committing itself to the good work of extending irrigation rapidly throughout India, so that it might not act in ignorance of the difficulties to be encountered. The obstacles which may arise from the state of the money market and fiscal arrangements are no doubt important, and need all due caution and consideration. But we hope that it will be possible to make financial arrangements conform to general policy, and that a great measure, such as that of extending irrigation in India, need not have to give way to financial difficulties of detail. This view, we think, is not in the main inconsistent with the intentions expressed in your 16th paragraph. We felt chiefly the necessity for proceeding with the works by all reasonable arrangements. You, on the other hand, urge the necessity of caution which in our recommendations we assumed would, as a matter of course, be observed.

15. With reference to the concluding paragraph, you will have observed, from our Despatch, No. 2, dated 5 January 1866, that we have made some small addition to our assignment of funds to the construction of irrigation works for 1866-67.

16. On the whole, the scope of our proposals was to set forth the probable scale of measures which would be necessary in order that the Government of India might not be placed in the position deprecated in our Despatch of the 12th September, as neither proceeding vigorously itself with irrigation works, nor permitting private companies to do so.

17. We never meant that it should be received as a request for immediate increase of establishments, and immediate recourse to the money market for a large loan. From the very fact of our not contemplating a requisition on so gigantic a scale, perhaps care was not taken to guard against such a supposition.

18. We, therefore, beg now again to explain that Colonel Strachey's memorandum was meant to show Her Majesty's Government at home what, in all probability, according to the best means of judging, would be the effect within the next few years of the Government fairly embarking in a really earnest and practical effort for the rapid extension of irrigation works by the agency of its own establishments, without calling in the aid of private companies.

19. All the measures to be taken in hand were set out as far as they were foreseen, in order that the plan might be fairly judged of beforehand, and that the Home Government might be ready to give its sanction as occasion arose. It was not intended to proceed to action without obtaining specific sanction on each occasion.

20. If any point were objected to, other means would have been devised and submitted for approval. Our object was not to commit Her Majesty's Government to action on a great scheme of this kind without fairly looking forward to all

all the measures it would involve, but merely dealing with each case individually as it arose. We think it cannot be wise to do this. Some definite line of action ought to be laid down, so that unexpected difficulties may not occur to disturb the assurance that the projects we are to get up will really be carried out.

21. Engineering establishments to carry out works efficiently in India cannot be raised at a year's warning, and discharged again in like manner, according to the fluctuation of the finances. What we want is a permanent and persistent effort to carry out a great measure. To work it out effectually and economically, there must be a gradual and permanent increase of establishments and a provision of funds for expenditure, which, with all proper prudence and caution, must be so arranged as not to fail under any but the most grave difficulties in finances. Unless some such resolution is come to, we fear that it may never be found financially convenient to carry on works from beginning to end with proper vigour. The effect of depending from time to time upon the fluctuations of the money market, would be the same as that of depending on occasional years of surplus revenue. In times of pressure, the progress of works would be starved, and in times of financial prosperity attempts would be made to push forward without experienced establishments or matured arrangements.

22. Although there may be difference of opinion in regard to the employment of the agency of private companies, it seems to us clear that the arguments in favour of employing them would be greatly increased in weight, if the Government does not clearly proclaim its intention to proceed steadily and vigorously itself in the matter of extending irrigation. We do not mean to overlook any point of prudence or caution, nor to proceed with undue haste; but we urge that, while in this one particular class of works it is deemed necessary to restrict the operation of private enterprise, it is the more incumbent on the Government itself actually to proceed with prudent and practical vigour in extending irrigation works.

23. Under this explanation, we trust the proposals we put forward in submitting Colonel Strachey's Memorandum, will not be deemed objectionable on the whole; and we hope to be informed of any changes in the general scheme of action proposed which you would wish us to adopt.

24. Meanwhile, we shall proceed, as ordered, to submit definite designs and estimates for your sanction as they are matured.

25. Our colleagues, Sir William Mansfield, the Honourable G. N. Taylor, and the Honourable Colonel Durand, have recorded minutes on the subject of this despatch, which are herewith forwarded for your information.

We have, &c.

(signed) *John Lawrence.*
W. R. Mansfield.
H. S. Maine.
W. Grey.
G. N. Taylor.
W. Massey.
H. M. Durand.

Enclosure 1, in No. 7.

MINUTE by the Honourable *G. N. Taylor*, on a Despatch from Secretary of State for India, No. 266, dated 30th November 1865, relative to the question of providing Funds for the construction of Irrigation Works, dated 25th January 1866.

THE Secretary of State's Financial Despatch of the 30th November, relating to the question of borrowing money for Irrigation Works to be constructed by Government, being a reply to two Public Works' letters addressed to the Home Government in January and March last on the same subject, may properly be first considered in the Public Works Department.

2. The Despatch in question, as the Secretary shows, was evidently written under a misapprehension of the proposals of the Government of India. It is possible that our subsequent Despatch of the 12th of September, together with the explanatory letter which

Colonel Strachey is understood to have written, may have corrected these misconceptions. But I think it most important that no time should be lost in again placing before Her Majesty's Government, in the clearest manner, the true state of the case, and explaining what were the real intention and objects of the Government of India as set forth in Colonel Dickens' note.

3. It seems to me that the matter cannot, at all events, be left where it is now. Some definite line of action should be deliberately adopted, so as to enable the Government to prosecute to successful completion all irrigation projects which have been judiciously selected and carefully matured. Unless this is done, and some assurance is given that funds will be permanently provided to carry out such works, I apprehend that the rapid extension of irrigation throughout India will be simply impossible, and that the progress of the country will be continually sacrificed to financial convenience.

4. When the late Court of Directors, in the beginning of 1857, addressed the Government of India on the subject of the encouragement to be afforded to companies formed for the purpose of constructing works of irrigation and navigation, the subject underwent the most careful and deliberate consideration. The opinions of almost all the authorities consulted were at that time, as they are now, in favour of the Government undertaking such works* in preference to entrusting them to private companies. The main objections to this course were stated to be the difficulties that might be expected to result from the conflicting interests of the parties concerned, and the vexatious interference with the private concerns of the cultivating body by a private company, that was supposed to be involved in the collection of the water-rate.

5. The Government of Madras, to whom the Irrigation and Canal Company's first application was made, were also of opinion that the intervention of a third party between the Government and the cultivator or landholder was quite needless; and they deprecated the sacrifice of any portion of the profits from irrigation works which they knew from experience to be "always considerable and often immense." Looking to the difficulties and complications which they apprehended as certain to follow, what advantage, they inquired, would be gained by making over these undertakings to private companies, while capital and skill can be obtained cheaper, and employed more usefully to the country and the people, if the Government were to act for themselves?

6. In order to carry out these views, the Madras Government of that day was as sanguine as the Government of India is now, that loans could and would be raised whenever the revenue was insufficient. It was foreseen, however, that difficulties might be interposed, and the Government of Madras therefore recorded in their proceedings a remark to the following effect, which is quite as applicable now as it was then: "Should it be found impossible," they said, "to adopt a bold, resolute, and persevering course which shall give full scope to every improvement, and which shall continue through all difficulties, and ensure the rapid execution of works when once resolved on, then it becomes a consideration whether it will not be better to encourage private companies, notwithstanding the difficulties which may attend them, rather than allow the progress of the country to be indefinitely retarded."

7. This, I fear, is very much the predicament in which the question of irrigation is now placed by the recent expression of the views of the Home Government.

8. It seems quite unnecessary to discuss the advantages to be derived from works of irrigation; they are now admitted on all hands. The subject has been considered over and over again, both in its moral aspect as affecting the lives and comfort of the people and the general interests of the country, as well as in the more practical light of a reproductive financial policy proper to be undertaken by the Government as the easiest and surest method of raising an increased revenue.

9. The question assumes very grave and serious importance at the present time, in view of the prevalence of severe distress in Bengal and other quarters, owing to the deficient harvest of the year; a deficiency which, in some parts of the country at all events, might have been prevented by the timely execution of irrigation works. Indeed, the obligation resting on the Government to construct such works wherever possible throughout the country, by some means or other independently of surplus annual revenue, is so obviously imperative, that if we cannot at once resolve to undertake all that is wanted by a well-devised system of raising loans and organising the agency required, there ought no longer to be any hesitation in adopting the only possible alternative of encouraging private enterprise by the offer of fair and reasonable terms, and under proper restrictions.

10. I desire to state, with the greatest deference, that I do not myself share in all the objections that have been advanced to the employment of private companies for the construction of irrigation works: on the contrary, I believe that their co-operation will be beneficial in many ways. The Government already absorbs into its own hands the entire expenditure for public improvements, railways excepted, leaving but little room or encouragement for private enterprise. The Department of Public Works, comprising as it

Proceedings,
15th May 1858.

* *i. e.*, works intended to provide irrigation; the subject of navigable canals was separately considered.

it does nearly the whole corps of Engineers of the three Presidencies, besides civil engineers, and a host of uncovenanted employes of all grades, forms already a very vast establishment working upon one stereotyped plan, and even now is scarcely equal to the demands upon it. When expanded to the gigantic proportions that would be necessary if the Government undertook, without the assistance and co-operation of private agency, a complete scheme of irrigation for the whole of India, this evil would be greatly aggravated; and the enormous expenditure which would thus be thrown exclusively upon the Government would undoubtedly be a source of even greater waste than now occurs. I quite admit that a special State department would effect much, if not all, that the most sanguine anticipate, but I feel convinced that it will take a very long time to organise such a department, and that, even then, there would be ample room for companies, and that India would greatly benefit by encouraging their enterprise. There is, in fact, too much to be done to admit of the Government attempting to do all. But even if it were possible, I doubt whether it would be desirable that the Government should undertake to do everything, and that the action of private associations should be dispensed with. Not only do I see no objection to the free introduction of private capital and agency in the execution of irrigation projects, but I recognise a positive advantage in allowing the field to be occupied by two different and distinct agencies, the Government retaining in any case such a power of interposition and control as will effectively guard the interests of the cultivators as well as its own.

11. So far, indeed, as the rights and interests of the people are concerned, this is the case under the existing contracts, both with the Madras Irrigation and Canal Company in regard to their operations in Kurnool, and with the East India Irrigation Company with respect to their works in Cuttack and Orissa. The relations between the Government and the cultivators are not of necessity prejudicially affected by the employment of an intermediate agency for the construction of such works. The people, indeed, look to the Government for the conservation of their rights, but it is quite possible that these should be maintained without prejudice to the interests of the company. The contracts provide accordingly that each scheme of works, both as a whole and in detail, shall be approved by Government, and the price at which water is supplied be determined by mutual agreement. Under existing arrangements the ryots have no direct concern whatever with the Irrigation Company. The company sells its water supply to the Government, and the Government sells it to the ryot, or, what is the same thing, the officers of Government distribute the water and assess a rate with reference to the land irrigated. Similarly, if the new canal interfere with or in any way injure the former sources of irrigation, the company is bound to make compensation by a corresponding reduction in the price of the water supplied. Guarded in this way, I do not see that agricultural interests and operations can be otherwise than materially benefited by allowing private companies to execute works on a large scale. If only with the view of comparing the results of the two agencies, this plan would, in my estimation, be desirable. A healthy emulation would be promoted, and the Government, without abdicating in the smallest degree its power of control, or conceding its undoubted right to an adequate share, in one form or another, of the profits to be derived from each undertaking, would be in a better position to decide upon the merits of the several projects submitted to it, and would exercise the functions of sanction and supervision with greater caution, and with better effect, than if every scheme had emanated from itself or its own officers.

12. It may, perhaps, be said that experience contradicts the above view of the case; the operations of the only private company which has yet entered the field have not been so satisfactory or so well conducted as to encourage the hope that projects undertaken by private agency will ever be successful and properly remunerative to the promoters, or otherwise than vexatious and a source of continual embarrassment to the Government. Considerable doubt has, indeed, been expressed as to the ability of private associations to raise money to an adequate extent for the vigorous prosecution of irrigation works. But upon this point it is only fair to observe that the recent action of the Government and its declared policy, as contained in the published minutes of the year before last, have not been such as to establish the confidence of shareholders, or to attract the offers of the English capitalists. When once it is known that the field has been thrown open to private enterprise, and that the co-operation of irrigation companies will be encouraged by the Government, I am sanguine that there will be no deficiency of capital supplied for the purpose.

13. Then, as regards the early operations of the Madras Irrigation and Canal Company, it may fairly be said on its behalf, that it has had to contend against those difficulties and discouragements which ordinarily beset the path of pioneers in a new and unexplored region. I believe that the magnitude of the Toombadra project, as a whole, was little understood, and its difficulty much underrated. The company was not fortunate in the choice of its agents or its engineers. The mismanagement has undoubtedly been very great, and the confidence and cordial co-operation of the local Government was naturally withheld. There seems to have been gross carelessness on the part of the executive officers, and a want of proper control over their proceedings; and the result, as might have been expected, has been a great waste of money. But all this, I believe, has been now rectified, and, after the experience gained, there is a little risk of a recurrence of similar errors either in this or kindred projects in other parts of the country. Bad as

matters are, I am led to believe, from an account sent to me some months back by Captain Mullens, the able and intelligent consulting engineer to the Government for the Irrigation Company, that the works will in due course pay what will be considered a fair rate of interest; but this will depend, of course, on the ability of the directors to raise additional funds over and above the guaranteed million.

14. It may be useful if I here review very briefly the present position of the Toombadra project. I gather from what Captain Mullens writes that the main canal, from the anicut above Kurnool towards Cuddapah, is near completion, and will carry water in the present year. If the distribution works, he says, are prosecuted with vigour, it is possible that 15,000 or 20,000 acres will be cultivated this year under the canal, and that the extension of cultivation will thereafter be very rapid up to 200,000 acres. These, he estimates, ought to be under irrigation within five years, and he adds, "It may be safe to assume 10 lakhs as the gross return, and, perhaps, eight lakhs as the net revenue, and the outlay to secure this will be under 120 lakhs, so that in five years we may expect, as a part of the scheme, a return of about 6½ per cent." The ultimate area of irrigation under the Kurnool Canal, exclusive of reservoirs, he calculates at 350,000 acres, upon which the gross return will be 15 lakhs, the net revenue 12 lakhs, and the outlay 150 or 160 lakhs, which gives eight per cent.; and he goes on to say that "with reservoirs, the Toombadra water could be utilised to a far greater extent, and navigation developed also, and, if carefully managed, I do not think 10 per cent. will be unattainable on an outlay of two millions."

15. This is the cautious opinion of the Government professional officer controlling the operations of the company, though expressed, it must be remembered, extra-officially; and it is calculated, I think, to afford encouragement to shareholders and to the Government, as showing what can be realised upon capital subscribed for irrigation projects even under the most adverse circumstances and inefficient management. There can be little doubt that, had this company been without a guarantee, there would have been less waste and better management, because the directors would long since have got rid of all incompetent men. This is the weak point in the contract with the Madras Company; the guarantee of a five per cent. dividend, as in the case of the railways, takes away all motive to economy, efficiency, and vigorous control; whereas the only security for the complete success of a project, however carefully it may have been prepared, is the knowledge that the profits of the undertaking are made entirely dependent on the character and ability of the responsible agency employed in its execution. What private irrigation companies really require are, facilities, not absolute guarantees.

16. Even the terms conceded to the East India Irrigation Company are more liberal than will be needed in future. As I observed on a former occasion, excessive encouragements are not wanted; the object is to employ private capital to the best advantage by inducing companies to undertake those works only which, if properly managed, will give ample returns. The terms should be such as are clearly fair and reasonable, the results depending entirely upon the arrangements made by the persons entrusted with the management. The co-operation of private companies will only be of real benefit to the country in proportion as their projects are made to return a fair dividend, by the exercise of sound judgment in the selection of their works, and by good management of their affairs.

17. The project of the East India Irrigation Company in Cuttack and Orissa, judging from their published reports and from the favourable opinion of their operations entertained by the Government of Bengal, promises to fulfil these conditions. I believe that a return of five per cent. on the gross capital expenditure is expected to be realised during the present year.

18. In addition to the usual advantages given, and the conditions imposed by the contracts, the Government might, I think, as regards all future projects, reasonably require in return for the gift of the water, a share of the profits after 10 per cent. have been obtained, say, one-third, up to 20 per cent. and one-half beyond. The land must in all cases be given to the company in the first instance, but the money spent by the State on that account might afterwards be recovered as soon as the company have enjoyed a minimum interest, say, eight per cent., for three years.

19. In some cases, too, it might be desirable to organise a system under which the Government should take a certain number of shares in each enterprise, as it does in the case of banks, and exercise in consequence a larger measure of control with the view of giving greater confidence and stability to these undertakings. The first step is to declare a definite policy; that being once determined on, the terms upon which companies are to be encouraged can be easily settled.

20. In the Despatch under consideration (paragraphs 6 to 8) advertence is made to the great difference of opinion which has arisen both as to the mode of execution of large works of irrigation, and as to the amount of out-turn from the outlay upon them. Some doubt moreover is expressed as to whether the remunerative works in the Madras Presidency are, in fact, as profitable as would appear from the published abstract statements. It may be well to state, therefore, that the Madras Government have recently been requested to review the statement referred to, and to furnish such details

in respect of each separate work as will explain the causes which have operated to produce the great variation observable in the return. I desire also to take the opportunity of again recording my conviction that, if the subject be carefully and fairly examined, there will be no further room to question the extraordinary results that have followed every well-devised scheme for providing the country with water, both for irrigation and navigation.

21. I will here repeat in few words the substance of a recent note I had occasion to write on this subject:—

“From personal knowledge and experience of the effects of several of the largest works in the Madras Presidency, I am able to say that the more closely the returns are analysed, and the more precisely and in detail their profits can be calculated and put on paper, the greater will be the general confidence in such undertakings as purely commercial speculations, independently of their enormous value and importance to the people and to the Government as the means of averting famine, and for the security of the ordinary revenue.

“If we take the results of the Godavery project alone, which, as far as the Madras works are concerned, may be regarded as the type for the elucidation of the subject, they are such as will satisfy the most sceptical; the facts are, in truth, quite irresistible. I have lately obtained from the collector a series of returns showing the progress of the district during the last 10 years, viz., from 1855 to 1864. The comparison here is not between the present revenue and that of a period of depression preceding the construction of the Anicut, but between the first and last years of a decennial period during which the works have been in actual operation. The progress of the district, in everything that indicates prosperity, is most remarkable, and it would be interesting to inquire whether the state of things disclosed by the statement I enter in the margin, could be at all approached by the improvements effected in any other district in India during the same period.

	1854-55.	1863-64.
1. Area of cultivation - Acres	4,46,895	5,74,367
2. Land revenue - Rs.	21,81,658	37,43,108
3. Water-cess - "	58,334	10,82,896
4. Miscellaneous revenue - "	4,44,184	6,95,459
5. Value of exports - "	16,26,900	56,68,244
6. Value of imports - "	4,46,588	10,90,046

“To begin with the area of cultivation, the increase is put down at 130,000 acres. The extent of land irrigated, either thoroughly or partially, is about 400,000 acres.*

“The land revenue has risen from nearly 22 lacs to about 37½, of which the separate water-cess is about 11 lacs.

“The miscellaneous revenue, comprising salt, customs, &c., now amounts to about 7 lacs, against 4½ in 1855.

“The value of exports of merchandise has increased more than threefold, from 16 to 56½ lacs, and of imports from about 4½ to nearly 11 lacs.

“The export and import of treasure has gone up from 2½ and 10 lacs in 1858-59, to 13½ and 28 lacs respectively, in 1864-65, and the drafts upon the treasury, indicating the circulation of money in the district, has increased proportionately, that is, from 24 to upwards of 50 lacs.

“The traffic on the navigable canals during 1864 is valued at one million sterling, and was carried in 30,000 boats and 8,000 rafts, all of which passed through the three main locks at the Anicut, no account being taken of the large local traffic along the course of the several channels.

“Now, it may be quite true that the works alone have not produced all these results. Much of the prosperity of the district is doubtless due to the American war, to the consequent state of the cotton market, and to the enormous rise of prices in India; but it must, I think, be admitted that the combined works of irrigation and navigation have been the main cause of the improved condition of the people, as evinced by the increased commercial activity of the province, the rise in the export and import trade, and the general improvement in all branches of the revenue.

“Taking only the water-cess separately realised last year, which by no means represents the entire direct return from the Anicut, the profit is about 25 per cent. on the gross capital outlay of about 40 lacs. The district is only now in course of settlement, consequent on the recent survey; and the revenue system is in a state of transition from village joint-rents, or coparceny tenure, to Ryotwary, so that in the unsettled portions, the water-rate is not yet separated from the land assessment, and hence the difficulty of exhibiting the exact direct return.”

22. The results in the Delta of the Kistna are equally satisfactory and promising. The Anicut across that river was completed towards the end of 1854; in 1855-56 it produced a revenue from irrigation amounting to 88,000 rupees, which in 1863-64 had risen to five lacs, or nearly 15 per cent. upon an entire capital expenditure, including repairs, of about 32 lacs.

23. In a letter recently addressed to the Government of India by Sir Arthur Cotton, on the controverted question of the remodelling of the Ganges Canal, he shows that the revenues of the Godavery and Kistna districts have increased 80 per cent., while those of the adjoining districts, not similarly favoured by irrigation, have increased only 17 per cent.

* These figures must refer to Government land only, exclusive of Zemindari and Inām.

cent. The comparison is a perfectly fair one as regards the effect upon the general revenue and prosperity of the two tracts; but I think that a plain statement of facts, such as I have recorded above, is of more value to the cause of irrigation in India than a comparison drawn from general results, many of which are dependent upon causes which may not have operated to an equal extent in the two regions contrasted; or, indeed, than any argument tending to extol one system of works at the expense of another carried out in a different part of the empire, where the conditions and circumstances may have required a different course of treatment. The inquiries of the Commission which has recently been appointed to report on the Ganges Canal will show how far the system, which has been so successful in Madras, can be adapted to the conditions and circumstances of the rivers in Upper India.

24. It should always be borne in mind that the avowedly main object of the canals in Northern India, of the Ganges Canal, I should say, in particular, was the prevention or mitigation of famine, and not the increase of revenue. If this object has been adequately attained, whatever may have been the cost of the work, and however small its financial return, it cannot fairly be cited as an instance of unprofitable expenditure on large schemes of irrigation.

25. I will only allude to one other point before closing this minute. In paragraph 9 of the Despatch under discussion, an objection is raised to undertaking works on a very large scale on the score of the possible disturbance of the labour market; an objection, I would observe, which applies to all large projects, whether undertaken by the Government or by companies. It would be necessary of course, in either case, to use some caution, in order that the rate of expenditure may not exceed what the available labour of the country can conveniently absorb; but this limit, so far as I know, has never yet been reached, even in the case of railways, which have affected comparatively small areas; and experience has satisfactorily shown that wherever there has been a large expenditure of money, whether by the Government or by a company, instead of withdrawing labour from agriculture and endangering the revenue from this cause, the area of cultivation has invariably increased, the condition of the people has been immensely improved, and the prosperity of the country advanced in every possible way.

Calcutta, 25 January 1866.

G. N. Taylor.

Enclosure 2, in No. 7.

MINUTE by his Excellency Sir W. R. Mansfield, K.C.B., Commander in Chief in India, on a Despatch from Secretary of State for India, No. 266, dated 30th November 1865, relative to the question of providing Funds for the Construction of Irrigation Works.

I WOULD beg to refer to my marginal notes on the secretary's memorandum on the Secretary of State's Despatch, No. 266, financial, of 30th November 1865. Although that Despatch has been framed with great caution, and partly under misconception, it does not, in my mind, carry with it reason for discouragement or inaction on our part.

Vide para. 2 of No. 266.

2. It is clear that the Secretary of State does not shrink from the principle "that irrigation works are of the utmost importance, and that they should be undertaken by the State, and that, if the surplus income and available balances should be insufficient to supply the necessary means, &c., &c., additional funds should be raised to meet any deficiency by means of loan."

3. In the 13th paragraph, Sir Charles Wood does not confine himself to argument and discussion, but he gives preliminary sanction for the provisional staff required for the preparation and examination of projects.

4. In the two closing paragraphs, the practical means of finance are contemplated in terms sufficiently precise to indicate that loans will not be spared from time to time as occasion may demand, regard being held to the circumstances of the money market in India and in England.

5. I consider, therefore, that if we comply with the demand for precise information and due consideration of projects, we have a point of departure towards the great economical reform we contemplate by a general system of irrigation in India, from which we may look with certainty for the ultimate realization of our wishes.

6. With respect to the question of private companies, and as to whether such agency should be preferred for irrigation works to that of Government; on a full reconsideration of the subject, I am inclined to think that, in the vast area of work subjected to our review, room will be found for both. I believe that, if such a company can convince Government that it is not only in earnest, but that it is able to find the capital required for a given large undertaking, it will be seen hereafter, as hitherto, that Government views such projects and demands with fair liberality. It is the duty of Government not to permit its name and influence to be made the means of rigging the money market, and
raising

raising the shares of a company to a premium for jobbing purposes. In such a sense it becomes necessary to scan the merits of a project and the resources of a company with much diligence before it be entertained as one deserving a Government concession.

7. Subject to such a limitation, and to the other duty of Government to exercise its right of executing reproductive works as a means of finance, which will at times lead it to decline the assistance of a company for a given project, I do not think that the public have any reason to fear that they will not be ultimately admitted to a reasonable proportion of the work and the expected profits.

8. I would deprecate further argument on this point, in the prosecution of which the work of irrigation would be postponed *sine die*.

9. The 7th paragraph of Sir Charles Wood's Despatch induces me to remind the Council that we suffer very grievously from another argument which causes almost indefinite postponement of irrigation in a large sense.

10. I allude to the differences between Sir Arthur Cotton and the Bengal Engineers. These differences may now be characterised as the polemics of two rival schools, and not as discussions on the *bonâ fide* merits of special measures.

11. There is, consequently, no end to the baneful effects of the rivalry in respect of the delay caused, this being seen in the proceedings of this Government as well as in those of the Council of the Secretary of State, as shown by the use made of it for urging caution, which, by a hasty reader, might, if taken with some other portions of the Despatch, indicate a latent determination to leave the irrigation question entirely alone.

12. As I have shown, such an inference would be most unjust to the Despatch under consideration, but it is not inopportune to remark on the predicament caused to the Government of India, and the positive damage to the people of India in a very serious sense, by the disputes of two rival schools, the members of which are alike the servants of that Government.

(signed) *W. R. Mansfield,*
Commander in Chief in India.

Calcutta, dated 5 February 1866.

P.S.—There can be no doubt that Sir C. Trevelyan fell into a grave economical error in the inferences drawn by him, from the statement quoted in Secretary of State's 9th paragraph. I would say so.

Had such reasoning been admitted by Lord Dalhousie and the Court of Directors in 1850, we should not now have a mile of railway in the country. The progress of all such works must adapt itself to the means for supply of labour. The process is self-adjusting, and does not anywhere lead to convulsion, except, perhaps, in the development of a Colony which discovers gold mines.

W. R. M.

Enclosure 3, in No. 7.

MINUTE by Colonel the Honourable *H. M. Durand*, C.B., on a Despatch from Secretary of State for India, No. 266, dated 30th November 1865, relative to the question of providing Funds for the construction of Irrigation Works.

IN considering the Despatch of the Secretary of State, dated 30th November 1865, I think it should be remembered that of the 70 millions of railway capital, with its advantages of a 5 per cent. dividend guaranteed by the Government, and a share in prospective surplus profits, out of 36,000 contributors, only 777 are in India, and of these but 393 are natives of the country. In other words, the native community do not hold even one per cent. of this immense amount of capital expended for the benefit of their own country. The whole mass of these many millions is provided by English capitalists.

2. Again, if we look to the public debt of India, which has the first claim on its revenues, and may almost be regarded as much under the guarantee of the English as of the Indian Government, we find it mainly in the hands of British capitalists. Four-fifths of the stock are held by them, and if it were minutely investigated much of the remaining fifth, nominally in the hands of natives, would be found lodged in securities through the political action of Government, or in its capacity as guardian of interests thrown upon its wardship, or as being the most incontestibly legal mode of investing trust property. Such an examination, if strictly carried out, would prove that the amount really held by native capitalists, independent of any connection with Government, was practically very much smaller than a fifth, indeed very trifling. Whatever the cause, whether the much higher rate of interest realizable in India in ordinary commercial transactions, or the distrust and timidity with which the native capitalist associates himself either with Government transactions or enterprises in which Europeans take the lead, it is palpable that the state and prospects of the Indian money market must undergo a complete revolution before we can expect, in local undertakings for the advantage of India, the cordial and free co-

operation of the hoards of native wealth. They seek other and more lucrative channels, where returns are not only very much higher, but more rapid, and where the management remains more entirely in the hands of the native capitalist himself, not in the hands of unknown directors of banks, or of Government. Available capital is in fact in the hands of those well trained by habit to its employment to the greatest advantage, and is the monopoly of a skilled class who have facilities for large commercial investments of a rapidly reproductive character.

3. When the Indian is compared with the English money market, the British capitalist, provided he can command the maximum rate of interest in England, which is very low as compared with India, and can secure this return on his investment by Government guarantee, and a prospect of a future share of profits which really enters very little into his calculation, is content with a far more moderate rate of interest than the Indian native capitalist.

4. Under such a state of affairs, it is not surprising that, when the Secretary of State was requested to consider a gigantic scheme for the steady and rapid expansion of irrigation works in India to the tune of 40 or 50 millions of expenditure, which, from the looseness of the estimate, he probably thought might be doubled, he should remember whence the amount would have to be supplied. A practical statesman, responsible to Parliament for pledging the revenues of India, and to India and Parliament for measures affecting the value of Indian securities, besides having to be cautious how he trespassed on the field of his colleague the Chancellor of the Exchequer, namely, the English money market, might reasonably enough guard his acquiescence in the expediency of a vigorous prosecution of Indian irrigation projects by some regard to those financial contingencies which no Government in the East or West can ignore or neglect with impunity. The Despatch of the 30th November 1865 seems, therefore, open to more lenient criticism than it has met with for its caution and moderation.

5. In the 16th and 17th paragraphs, advertence is made to other sources from which funds may be forthcoming in replacement of the abandoned one per cent. from the abolished income tax, and of course a financier was bound to make so necessary a conventional allusion to the resource of additional taxation. Evidently, however, the probability of having to raise a public works loan is admitted, and all that is stipulated is the duty of the Government of India to show precisely the irrigation projects it is prepared to undertake; the annual rate of expenditure, and their total cost, and in what way, whether by taxation or loans in India, or in England, these charges are to be met. Not, in my opinion, an unreasonable request.

6. The experience of railway capital, public funds, &c., impresses me with the conviction that, unless taxation be resorted to in a form that shall really reach native capitalists, we must look to the English money market, and that 5 per cent. interest guaranteed for such time as the loan was not paid off, but with a fixed portion of the profits over 5 per cent. devoted to the extinction of the loan, would float it into ready acceptance among British capitalists.

7. I am opposed to Government entering into joint-stock speculations, for I anticipate nothing but unseemly disputes and litigation in such alliances on the subject of the division of profits; and that the result would be, that the connection of Government with such enterprises would end in Government being either the dupe or the victim of its joint-stock association. It is the bounden duty of Government to avoid embarking in a system which, under the cloak of its support as a shareholder, would aid speculators in rigging the market.

8. Should the Secretary of State shrink from sanctioning loans as wanted for the construction of well-considered remunerative works, then the Government would be driven to the employment of the agency of private companies. As English capitalists will only embark upon such undertakings on the prospect of higher profits than those yielded by ordinary means of investment in England and Europe, and on terms which comprise the free gift of the land by Government, and a monopoly of the waters of its rivers, it must be at the expense of the Government and the people that recourse would be had to such agency.

9. At the present juncture it seems, however, unnecessary to contemplate this latter alternative, or the way in which, with tempting profits to speculators, it can be rendered most advantageous to the people, and least likely to come into conflict with the rights of both people and Government; for in a Despatch of the 30th December 1865, when deciding on a practical question referred for his decision in the Department of Public Works, the Secretary of State takes the opportunity of reiterating—

1st.—That, on a general review of the principle on which irrigation works should be constructed in India, it has been decided that the employment upon them of the agency of private companies is not expedient.

2nd.—That the preferable course will be for Government itself to undertake them.

10. This seals the question; for, as no one is better aware of the absolute dependence of India upon English capital for all such enterprises, it cannot be for a moment supposed that, in pronouncing Government agency as the most preferable, the Secretary of State was not prepared to sanction that which can alone enable Government agency to act, viz., resort

resort to the English money market if necessary. It is futile to look to native capitalists, or to the impoverished services of India for a large loan, and heavy general taxation for such local purposes is not equitable. Irrigation Works should bear their own burthen, and ultimately clear themselves. Loans raised in England, and applied under the control and the responsibility of Government, are the cheapest and the most certain and unexceptionable mode of securing, with a minimum of pressure on the Indian tax-payer, the means for the construction of reproductive works.

11. On the practical question of the efficient execution of such works, it must be remembered that India has been a greater school than even northern Italy, and that, consequently, it is here in India, and not in England, that engineers must be looked for who combine special experience in works of this class with a knowledge of the people, the country, and its resources. Without entering upon the Cottonian controversy as to the Ganges Canal, I venture to think it an error to speak of this discussion as waged between two distinct schools of engineers advocating different principles. The point at issue is a simple matter of fact, independent of schools or principles, and will, no doubt, be ably and impartially submitted to Government by the committee lately appointed. The partisans in favour of the agency of private companies have, it is true, taken advantage of the conflict of opinion between Sir Proby Cautley and Sir Arthur Cotton, and have stimulated the discussion. But, rightly considered, this peculiar feature of the controversy only shows the pre-eminence in Irrigation Works of the Indian engineers. Had it been with regard to railways or harbours, the partisans of private companies would have sought elsewhere for leaders behind whom to fight their battle against the employment of Government agency. As it is, they bid against the Government for the services of the skill and the experience of engineers, for whose training and proficiency, in a special branch, the Government has paid, and the result is that Government lose them exactly at the time that their engineers have become most valuable. The process will be much accelerated by the transfer, to a greater degree than has already taken place, of irrigational enterprises to the agency of private companies. Skill and experience in this special branch of engineering is not easily acquired; the opportunities are few, proficiency is rare, and, at the present moment, of great value to India. I am glad, therefore, that the Secretary of State is prepared to sanction the utilisation of the ability and knowledge which the Government has fostered, and can still command, and that he approves of the employment of such officers in those carefully and scientifically conducted surveys and investigations, without which no project should be entertained. Each Government knows best the officers who have shown the highest qualifications for such inquiries, and who are available. The several Governments also are, or become, aware of the Irrigation Works which seem most pressingly needed by the people. I think, therefore, that without having any special staff, the evolution of such projects may safely be left to the growing requirements of the country, and to the zeal and interest which civil officers and experienced engineers are sure to take in the progress and welfare of the districts or provinces with which their duties connect them. In other words, I am not in favour of an exploring staff of engineers for such projects. It is too much the practice to write and speak as if, on the one hand, the supply of water available for purposes of irrigation at moderate cost was inexhaustible, but allowed to run to profitless waste, whilst, on the other hand, millions of culturable acres only awaited the utilisation of the wasted water to render them mines of agricultural produce and wealth. Any one acquainted with India, and with the sparse population of large tracts, knows how chimerical the views which may be raised by such exaggerated pictures and statistics, and that there is immense scope for a most unprofitable outlay if undertakings are inconsiderately adopted, under the spur of excitement, on bold but vague generalisations.

12. The Secretary of State points out the true course, namely, the submission of well-considered projects, based on exact data, and carefully collected details, and thoroughly sifted by competent men. Some such projects Colonel Dickens reports to be ready, or nearly so. If these stand the scrutiny of Government here, they may be sent up to the Secretary of State as the bases for further and more positive expansion of reproductive works.* Their development will be so gradual, that the apprehension of seriously disturbing the labour market may be safely put aside, and the same remark applies to the question of increase of establishments and expenditure of money.

* The same with respect to well-considered projects from other Governments.

13. It will be of extreme importance that the confidence of capitalists be based on something more than the interest which Government engage to pay on any loans they raise for reproductive works. None such should be undertaken of which there is not a real prospect of their becoming self-supporting, besides accomplishing the gradual extinction of the loans. General taxation applied to the advantage of localities is, under other conditions, hardly defensible; but the objection may be removed by the establishment of a sinking fund, and making the loans repayable within a fixed period. Otherwise, Government will be charged with getting money for works understood to be profitable, the profits of which they use and absorb for ordinary Imperial purposes. Without hampering the Governments with boards of trustees, they should make arrangements so that capitalists might be periodically informed of the exact position of the works, as to expenditure, profits, and the state of the sinking funds for the extinction of the loans.

13 February 1866.

(signed) *H. M. Durand.*

— No. 8. —

FINANCIAL DESPATCH from the Secretary of State to the Government of India, dated 23rd August (No. 200) 1866.

Sir,

Para. 1. I HAVE considered in Council your Public Works letter, dated the 15th March last (No. 48) in which you reply to Sir Charles Wood's Financial Despatches of the 30th November and 23rd December 1865, Nos. 266 and 285, relative to the construction of Irrigation Works in India.

2. In this letter you refer to the objections made to your propositions, on the ground that no sufficient estimates, founded on surveys or knowledge of the localities in which the works were to be constructed, were furnished; that there was no apparent reason for believing that the sums specified for the projected works would cover the cost of executing them; and that it would be inexpedient to announce that money at the rate of a million or two millions, or any other fixed sum per annum, would be raised on loan for public works; and as, from the nature of those objections, you consider that your propositions must have been misunderstood, you have thought it necessary to submit further explanations on the subject.

3. You observe that your proposals were not meant to be received as a request for immediate recourse to the money market for a large loan, and an immediate increase of establishments, but as showing what, in all probability, would be the effect within the next few years of the Government embarking in a really earnest and practical effort for the rapid extension of Irrigation Works; that "all the measures to be taken in hand were set out, as far as they were foreseen, in order that the plan might be fairly judged of beforehand, and that the Home Government might be ready to give its sanction as occasion arose;" but that "it was not intended to proceed to action without obtaining specific sanction on each occasion."

4. You further express a hope that, under the explanation now forwarded, the proposals formerly put forward by you will not be deemed objectionable on the whole, and you request to be informed of any changes in the general scheme of action proposed, which I might wish you to adopt.

5. I must remark that, in the Financial Despatch of the 30th November 1865, Sir Charles Wood expressed his firm conviction of the advantages of Irrigation Works, and his fixed determination to prosecute those works as rapidly as possible, and he pointed out the course of proceeding which he considered should be adopted.

6. After full consideration in Council of your letter, with its enclosures, I see no reason to modify these views. On the contrary, I look upon the rapid and effective prosecution of Irrigation Works as of vital importance to the progress of India; and I shall willingly give my concurrence to any well-considered proposals on your part, which tend to promote that object.

7. It is not necessary to consider the means of providing funds for projected works of this kind, until propositions with detailed plans and estimates, based on actual surveys, shall have been fully considered by you, and have been approved by me. Whatever may be the plan adopted for raising funds for each particular work that may be approved, it will undoubtedly facilitate the steady progress of the undertaking, that the yearly sum which is to be spent in the execution of it should be fixed beforehand.

8. I concur with you in the opinion "that engineering establishments to carry out works efficiently in India cannot be raised at a year's warning, and discharged again in like manner according to the fluctuation of the finances." But, for the purpose of avoiding this grave error, it is not necessary to settle the comparatively subordinate question of the financial machinery by which any possible outlay is to be defrayed, before the amount of that outlay has been determined. Except under the immediate pressure of financial embarrassment, funds, within a reasonable limit, can be provided to meet the annual expenditure upon any particular undertaking.

undertaking, as soon as the undertaking has been sanctioned, and the amount to be annually expended upon it has been fixed.

9. The conditions which must be observed are, that works shall only be undertaken when the estimates have been thoroughly matured, that they shall be works in regard to which a reasonable expectation may be entertained that they will prove remunerative, and that they shall be executed with a due regard to economy.

10. There is a marked distinction between borrowing for the prosecution of reproductive works, and for the ordinary purposes of Government; and, keeping this in view, I shall not object to a loan being raised for carrying on such works, when the necessity shall have become apparent.

11. Up to this time, however, no delay has occurred in regard to Works of Irrigation from the want of funds, and it would, therefore, be premature to determine to what extent it may be necessary to borrow in any future year. The prejudicial effect of any premature announcement of the intended financial operations of the Government was clearly pointed out in the Despatch already referred to, and it is, therefore, unnecessary to repeat those observations here.

12. I am most desirous that no time should be lost in maturing the plans, and deciding on the prosecution of such works of irrigation as are most urgently required; and, when the approval of the Home Government shall have been given, if there shall appear to be any probability of the execution of those works being delayed for want of funds, I shall be prepared to authorise such steps as may be necessary for raising any sum that may be required.

I have, &c.
(signed) *Cranborne.*

— No. 9. —

PUBLIC WORKS DESPATCH from the Government of India to the Secretary of State, dated 7th December (No. 178) 1866.

My Lord,

WE have the honour to acknowledge receipt of your Despatch (No. 200) of the 22nd August last, on the subject of the prosecution of Irrigation Works in India.

2. In our Despatch, No. 48 of the 15th March last, we represented that under Sir Charles Wood's orders that Works of Irrigation should be undertaken by the Government rather than by private companies, it was necessary that some assurance should be given by Her Majesty's Government that money would be forthcoming, on satisfactory projects being prepared and submitted. Until this essential point was conceded, it would be useless to proceed to elaborate the projects; and whatever objections might be raised to the details of our proposals of March 1865, we pressed for an assurance that funds should in some way be provided.

3. In your Despatch now under reply, you remark in the 11th paragraph that, up to this time, no delay has occurred in regard to Works of Irrigation for want of funds. But we beg to point out that, while the policy of the Government was unsettled, there could not but be delay for want of funds, owing to their being no practical provision for supplying them. As long as it was uncertain whether Her Majesty's Government would actually take such steps as were necessary to provide funds for the projects we might cause to be prepared, it was open to doubt whether it would not be better, notwithstanding the objections to that course, to employ the agency of private companies in order to avoid delay. And it was of little use to proceed to prepare more projects, while this point was undecided, for it will be in your recollection that, both in regard to Orissa and Behar, the company entrusted with, or in treaty for the works, threw aside the projects of the Government officers in order to adopt its own.

4. But we have no desire to dwell further on the point, or to refer to other minor points in the correspondence, since the assurance you have now conveyed to us in the 10th and 12th paragraphs of your Despatch under reply,

that such steps as may be necessary shall be taken to provide funds, removes the difficulties which beset the prospect of the speedy extension of irrigation works throughout India.

5. We have already reported, in the Financial Department, that an additional sum of 350,000 *l.* has been added to the Public Works Grant for 1867-68, making in all 700,000 *l.* to be devoted to the Works of Irrigation. This sum may appear small compared with those provided for other classes of works, and especially that for barracks; and the smallness of the grant may no doubt be peculiarly felt to be a matter of regret at the present time when the need of irrigation in India has been so sadly proclaimed by famine.

6. But we have often pointed out, and in the 8th and 9th paragraphs of your Despatch you have fully admitted, the necessity for careful preparation and organisation of our efforts. The proper preparation of projects for extensive Works of Irrigation is a matter of labour and thought and time. The proper organisation of establishments and arrangements for the execution of the works, again, must be a gradual process. In the first year or two, little can be usefully done compared with what will afterwards be attainable as the result of steady persistent effort.

7. We may instance the parallel case of the improvement of the accommodation for the European soldiers in India. In 1861, the report of the English Commission drew attention to this subject, and the Government was blamed for the state of the barracks, and urged to replace at once, by buildings on the latest sanitary principles, the temporary structures necessarily hurriedly prepared in 1858 and 1859, for the increased number of European troops rendered necessary by the mutinies, and to replace also the older barracks constructed before the principles of sanitation were so well known. Since that period our attention has been much occupied, and special officers have been employed in preparing designs of all the requisite buildings on the most approved principles. This has at length been all but completed. Last year we were enabled to commence work at a large number of stations, and were prepared to expend 800,000 *l.* on new works. This year, a larger outlay of 1,500,000 *l.* on new works will be carried out, and for next year a still further provision of funds has been made to the extent of nearly 2,000,000 *l.* on new works. After next year, the greater part of the work will have been done, and the expenditure will begin to diminish. In two or three years more we expect that the whole of this important measure will have been carried out.

8. We now also hope during the next two or three years to have designs and estimates for irrigation works prepared, and arrangements matured to carry on a large expenditure. So that, as the outlay on barracks diminishes, we shall be able to transfer the establishments and the annual provision of funds to the execution of Works of Irrigation for which the arrangements will, by that time, have been matured. But while the provision of improved barrack accommodation for the European troops may be completed at an outlay of 10 millions within a period of five or six years, the extension of Works of Irrigation will demand a much larger expenditure, and be the work of at least a generation.

We have, &c.
 (signed) *John Lawrence.*
H. S. Maine.
W. Grey.
G. N. Taylor.
W. N. Massey.
H. M. Durand.

— No 10. —

PUBLIC WORKS DESPATCH from the Secretary of State to the Governorment of India, dated 10th December (No. 75) 1866.

Sir,

Para. 1. I HAVE had before me in Council your Excellency's Despatch, No. 149 of 24th September last, relative to a proposal put forward by certain gentlemen,

gentlemen, for the construction of a navigable canal to connect the coal fields of Raneegunge with the River Hooghly.

2. Except in one respect, your reply to this proposal appears to me to have been very suitable. The cost of the canal is, I observe, estimated at a million sterling, for the raising of which the promoters of the scheme think three years would be required, to be followed by six years for the execution of the work. The prospect thus held out was too uncertain, as well as too remote, to excite any very lively interest on your part; and as much countenance of the project as could reasonably be expected was given by the intimation that you would be glad to see it encouraged under Act 22 of 1863, provided it should be found not to clash either with the interests of the East Indian Railway Company, or with any prior claims of the East India Irrigation and Canal Company, to the construction of canals in the same region. Your additional intimation, however, that permission to combine irrigation with navigation in the canal, must depend greatly on the views of Her Majesty's Government in regard to the proper agency for constructing Works of Irrigation, appears to have been made under some misapprehension. It seems to imply that some general rule is to be laid down as to the agency in question, and that, in the mean time, no proposals for the application of private enterprise to Irrigation Works can be entertained. I do not, however, see the advantage of any such rule. I readily admit that there are many reasons why it would be preferable for Government itself to provide completely for irrigation throughout India, if Government had adequate means at its command. But the requirements of India in respect of irrigation are so vast and so urgent that I cannot think it wise wholly to reject the assistance of private agency in supplying them. One material objection to the employment of such agency is the difficulty of fixing the water-rent, if it is to bear any determinate ratio to the increased fertility conferred by irrigation upon the land. This difficulty will best be met by abandoning the attempt to establish any such ratio. The profit looked for by the company who supply the water, and consequently, the maximum price chargeable for it to the cultivator, should be proportioned to the cost of supplying it, and not to the increased return which the cultivator may, by its means, contrive to extract from his land. With this proviso, the proper course, whenever any irrigation project may come under consideration, would seem to be to decide upon the question of agency according to the merits of the particular case. If the project were one which appeared likely to be executed more rapidly or more satisfactorily by a company than by the State, a company might be entrusted with it. If no company equal to the undertaking presented itself, or if there were special objections to the intervention of a company in the particular instance, or if Government had at the time sufficient means readily available, Government agency would naturally be preferred. But nothing should, in my opinion, be done to hamper in any way Government's perfect freedom of choice. A general rule could scarcely be devised for ever-varying circumstances, which would not be continually proving itself inapplicable.

I have, &c.
(signed) *Cranborne.*

— No. 11. —

PUBLIC WORKS DESPATCH from the Secretary of State to the Governor of India, dated 9th January (No. 6) 1867.

Para. 1. I HAVE had before me in Council the correspondence (forwarded with your Excellency's Despatch, No. 163 of 18th October last) which has recently passed between your Government and that of Madras, regarding the claims of the Madras Presidency to a larger share of the total grant annually assigned for Public Works.

2. On this special subject I shall confine myself to an intimation of my general concurrence in the views expressed in your Secretary's letter of 18th September last; but there is also one collateral point to which I may briefly refer.

3. In reply to the representation of the Madras Government, that estimates for Irrigation Works to the extent of nearly 20 lacs had been sanctioned by them, and were waiting for the supply of funds, you made a renewed call for a list of those works, in order that you might consider the expediency of obtaining authority to raise the requisite funds. My Despatch in the Financial Department (No. 200) of 23rd August last, has, however, assured you of the assistance of the Home Government in raising any sums that may be found necessary for approved Irrigation Works coming under the required conditions. If, therefore, any of those on the Madras list should appear to be otherwise eligible, there need be no delay from pecuniary considerations in commencing their construction.

I have, &c.
(signed) Cranborne.

— No. 12. —

PUBLIC WORKS DESPATCH from the Secretary of State to the Government of India, dated 10th January (No. 10) 1867.

Sir,

Para. 1. I HAVE had before me in Council your Excellency's Despatch, dated 30th October (No. 171) 1866, reporting the proceedings of your Government relating to the enlarged project for supplying Poona and Kirkee with water. I have also received the volume of selections from the records of the Bombay Government, containing a detailed description of Colonel Fife's project, with plans and estimates.

2. I concur in your remarks on the Kurrukswalla scheme, so far as you enforce upon the Government of Bombay the necessity of permitting no actual construction until projects are fully matured. I trust that the Bombay Government will act with the utmost despatch in bringing the surveys and estimates into a condition which will enable your Excellency to come to an early determination regarding the works.

3. There is, however, one observation in Colonel Dickens' letter of 8th September, to which, for the sake of avoiding misconception, I must refer. He observes (para. 22) that, until the financial arrangements for irrigation works generally are settled, it does not seem possible to allow the commencement of this undertaking. I hope that the Despatches you have received from me since the date of that letter will have removed the impression that there is anything unsettled in the financial arrangements for Irrigation Works generally. I am prepared to authorise the immediate commencement of any Irrigation Works that will satisfy the requirements specified in para. 9 of my Despatch in the Financial Department, dated 23rd August 1866 (No. 200), and I will sanction whatever financial arrangements may be necessary for prosecuting those works with vigour. The rapid completion of remunerative Irrigation Works, wherever the conditions necessary to their construction exist, is an object of the first importance. For the attainment of it, I must now rely upon the energy of the Governments of India in preparing the necessary plans, and carrying them out when they have been approved.

4. I must leave it entirely to your Excellency, in concert with the Government of Bombay, to decide whether the smaller Pashan project, already approved and sanctioned, and which, it is stated, would not at all interfere with the ultimate construction of the larger, should be commenced, pending the completion of the Kurrukswalla plans.

I have, &c.
(signed) Cranborne.

— No. 13. —

PUBLIC WORKS DESPATCH from the Secretary of State to the Government of India, dated 17th January (No. 9) 1867.

Sir,

Para. 1. I HAVE received and considered in Council your Excellency's Despatch, No. 178, of 7th December last, in reply to mine of 23rd August last, on the subject of the prosecution of Irrigation Works in India.

2. I do not propose to enter upon any further discussion of past correspondence upon the irrigation question, or to inquire into the nature of the misunderstanding which seems to have arisen with respect to the mode of proceeding to be adopted. It is satisfactory to me to be assured that, in your opinion, no obstacle is now offered to the energetic prosecution of these works by any uncertainty as to the wishes or intentions of Her Majesty's Government.

3. You proceed to explain the motives which have induced you to confine your operations in this direction for next year within the moderate limits represented by the sum of 700,000 *l.*, a sum which, as you justly remark, "appears small, compared with those provided for other classes of works, and especially that for barracks," on which you propose an expenditure of 2,000,000 *l.* For this course you adduce two reasons, which appear to me to differ greatly in value. In the first place, you state, with great justice, that "the proper preparation of projects for extensive Works of Irrigation is a matter of labour and thought, and time." I most fully concur with you in recommending the greatest care in the laying out of works and the preparation of estimates. There can be no doubt that, on former occasions, both time and money have been wasted by negligence in this respect; but when you proceed to say that you will require "two or three years, in order to have designs and estimates for Irrigation Works prepared, and arrangements matured to carry on a large expenditure," I am unwilling to believe that you accurately represent the utmost speed to which the departments under your authority can attain without the sacrifice of efficiency. This is a subject which has occupied the attention of the various Governments of India for years past. Schemes of irrigation, in various parts of the Indian empire, have been the subject of active discussion. In some papers recently transmitted to me by the Government of Madras, I am informed that several schemes of remunerative Irrigation Works are lying in the Public Works Department of that Presidency. From Bombay I have similarly had reports of schemes far advanced towards completion; and, in the Public Works Department of one of the administrations under your own immediate control, the irrigation of Oudh and Behar has been a subject of investigation and calculation for a considerable period. I cannot understand how, with the amount of preparation for these duties which may be presumed to have resulted from the discussions of the last few years, three years more can be required before the engineers can complete their designs and calculations.

4. At the end of your Despatch, you advert to a second reason which seems to have reconciled you to the prospect of so much further delay. You observe that, in the course of two or three years, which in your opinion must elapse before your plans and estimates can be prepared, the barracks now in course of construction will have been nearly completed, and that you will "be able to transfer the establishments, and the annual provision of funds, to the execution of Works of Irrigation for which the arrangements will by that time be matured."

5. If I rightly apprehend, from this portion of your Despatch, that you are deferring more energetic action in the prosecution of Irrigation Works until the engineers, at present employed upon barracks, shall be disengaged, I must express my disapproval of any delay that is based upon such considerations. It is true that a certain economy may be effected by keeping back work for the employment of the establishments which, on the completion of the barracks, will be otherwise unemployed; but in the case of remunerative Irrigation Works, to which, for the present, your action will be restricted, delay is in itself a heavy loss. The money saved by abstaining from an increase of your Public Works Establishment would not replace the loss of profit to the Treasury and of

prosperity to the people which is involved in a further postponement of these important undertakings.

6. Upon the general question of the employment of engineers in the construction of barracks, I shall probably address you in a separate Despatch.

7. While, therefore, entirely coinciding in your view of the importance of accurate estimates and well-matured plans, I must renew the expression of my earnest hope that you will not allow any consideration of secondary importance to interfere with the energetic prosecution of works upon which so much of the future prosperity of India depends.

I have, &c.
(signed) *Cranborne.*

— No. 14. —

PUBLIC WORKS DESPATCH from the Secretary of State to the Government of Madras, dated 17th January (No. 3) 1867.

My Lord,

Para. 1. TOWARDS the close of his Report, dated 21st September last, on the recent scarcity in the districts of Salem and North Arcot, your Sanitary Commissioner, Mr. Ellis, after referring to a "certain periodicity" which has been observed in the occurrence of droughts in India, proceeds as follows:

"The regular intervals thus accorded between periods of scarcity should serve to stimulate a careful examination and execution in each district of projects which, if they did not actually prevent the effects of drought, would at least mitigate some of the sufferings which result from even partial failure of rains in districts where there are no artificial means of retaining the waters of those rivers and mountain streams which now so frequently run entirely or partially unused to the sea.

"In both the districts which I have recently visited, much remains to be done in this respect, and there are in the records of the Board of Revenue and of the Public Works Department plans of Irrigation Works which, if they had been executed, would not only have been highly remunerative, but would have this year made the serious failure of rain result in only a partial instead of an entire loss of crops. It is beyond my province to do more than allude to this question, but it was impossible that it should not be constantly a subject of thought and regret, for there was scarcely a village through which I passed in company with the district officers where there was not the same complaint of breached tanks and channels out of repair, while, in many places, great natural reservoirs were pointed out to me which only required a comparatively moderate outlay of money to bring into cultivation large tracts of country now lying waste.

"Considerable rivers and streams are allowed to flow away into the sea, carrying away the drainage of thousands of square miles of country, which, if retained by a carefully improved system of dams in the river valleys, with connected channels, might store water sufficient to carry the crops through even as severe a season as that which we have recently experienced."

2. The suggestion which this statement involves ought not, I think, to be neglected. The Government of India have lately been assured by me that the necessary authority for raising such sums as they may deem it expedient to apply to the extension of irrigation shall not be withheld, and I observe that they have called upon your Government for a list of such irrigation projects, as, having received your sanction, are sufficiently matured to allow of their execution being speedily commenced. As supplemental to this list, which has, I presume, been already sent in, I would suggest that any projects for Irrigation Works in Salem or North Arcot, answering to Mr. Ellis's description, which may exist in the Public Works Department, should, at an early period, if approved by you, be likewise submitted to the Government of India.

I have, &c.
(signed) *Cranborne.*

— No. 15. —

FINANCIAL DESPATCH from the Government of India to the Secretary of State, dated 22nd January (No. 30) 1867.

My Lord,

WE have the honour to forward a copy of a Resolution in the Public Works Department, No. 121E, dated 22nd January 1867, from which you will perceive that, in anticipation of your approval, we have found it necessary to form a separate Branch in the Public Works Secretariat for dealing with the subject of irrigation works, and have placed it immediately under an Inspector General of Irrigation Works, whose footing in the Secretariat will be similar to that of the Inspector General of Military Works.

2. We have determined to nominate Colonel R. Strachey, R.E., to this appointment, and to allot, during his incumbency, a departmental consolidated salary of 3,000 rupees a month for the appointment. We trust that the arrangement will be confirmed by you.

We have, &c,
(signed) *J. L. M. Lawrence.*
W. R. Mansfield.
W. Grey.
G. N. Taylor.
W. N. Massey.
H. M. Durand.

Enclosure in No. 15.

(No. 121 E.)

Fort William, 22 January 1867.

RESOLUTION.—In 1864, the general increase of business in the Public Works Secretariat led to its being re-organised with an increase of the staff of two professional Assistant Secretaries. The business was divided into branches as follows:—

- | | |
|--------------------|-------------------|
| 1. Military Works. | 4. Establishment. |
| 2. Civil Works. | 5. Accounts. |
| 3. Railway. | 6. Forests. |

2. The two new professional Assistant Secretaries were intended to take the Military and Civil Works Branches; the Under Secretary holds charge of the Railway Branch; the non-professional Assistant Secretary of the Establishment Branch (which deals with the numerous cases of organisation, appointments, promotions, and other personal questions); the Accountant General to the Department takes the Account Branch, and the Inspector General of Forests the Forest Branch.

3. In 1863, Colonel Crommelin had been placed on special duty to devise the arrangements for carrying out the general improvement of the accommodation for troops. In August 1865, he was appointed Inspector General of Military Works, and has naturally held charge of the Military Branch of the office when not absent on inspection duty.

4. It was, however, still necessary to retain the second professional Assistant Secretary, since not only the Inspector General of Military Works, but the Inspector General of Forests and the Accountant General, are frequently absent on inspection duty.

5. The arrangement above sketched out has answered well hitherto. The staff of officers, as distinguished from clerks, is large, compared with that of the other secretariats, but the nature of the work is special, and such as cannot be managed properly without a large professional element in the establishment.

6. But the impetus lately given to the spread of irrigation in India is already leading to a considerable extension of work, not so much as yet in current business as in large questions which come forward for decision.

7. These matters, with the financial arrangements for extending irrigation, in connection with which it appears probable that an outlay of 30 millions sterling will have to be incurred within the next 10 or 15 years, and the increase of current business that must arise as projects come in, and works are put in progress, will certainly require the aid of another officer to carry on the duty efficiently.

8. The work connected with irrigation has hitherto been a sub-division of the Civil Works Branch; but it will be too large to be so treated. In fact, it has become so already, and the large cases connected with it have had to be dealt with specially by the Secretary. This arrangement answers for the present, but it will soon become impossible for the Secretary to carry on this duty, and also to attend fully to the work of other branches.

9. Considering the vast outlay that will have to be incurred in extending irrigation, and the immense importance of carrying it out successfully, there appears to the Governor General in Council good reason to provide fully and liberally for the careful supervision of the measure. The increase of expense that will be required in the creation of a new appointment will be a minor consideration.

10. It seems to the Governor General in Council that the best way of providing for this increase of work will be by forming a seventh branch in the office, and appointing to it an officer as Inspector General of Irrigation Works, much in the same position as Colonel Crommelin in regard to the Military Works, as defined in Circular No. 93 of 29th September 1865 (omitting para. 4).

11. One important subject in connection with the extension of irrigation is now being investigated by Colonel R. Strachey, and other subjects may need similar deputation of a specially qualified officer on behalf of the Government of India. In view to such inquiries, and in pursuance of the precedent afforded by the cases of the Inspector General of Military Works, the Accountant General, Public Works Department, and the Inspector General of Forests, the name of Inspector General has been chosen for the new office.

12. The officer should have so far an independent *status* as to be the recognised Inspecting Officer of the Government of India, but not with any power of action that might interfere with the control of the Local Governments over the operations within their territories, respectively.

13. The Governor General in Council accordingly resolves that Colonel R. Strachey, R.E., shall be appointed Inspector General of Irrigation Works, on a departmental salary of 3,000 rupees a month. This salary is especially fixed on the present occasion with reference to the previous services of Colonel Strachey, and will be subject to re-consideration on the occasion of any future nomination.

14. The appointment should be made at once, the concurrence of the Financial Department having been ascertained, and it being known that the Secretary of State is favourable to the measure.

15. Colonel Strachey's appointment will not interfere with the inquiries he is now prosecuting in Bombay and Madras.

ORDER.—Ordered, that the foregoing Resolution, and the papers now read, be forwarded to the Financial Department for further orders, and for report to the Secretary of State.

Ordered also, that the above Resolution be forwarded to all Local Governments and administrations for information and guidance.

(signed) C. H. Dickens, Lieut.-Colonel, R.A.,
Secretary to the Government of India.

— No. 16. —

PUBLIC WORKS DESPATCH from the Secretary of State to the Government of India, dated 28th February (No. 26) 1867.

Sir,

Para 1. I HAVE received your Excellency's Financial Despatch, No. 30, of 22nd January last, stating that, in anticipation of approval, you have formed a separate branch in the Public Works Secretariat, for dealing with the subject of Irrigation, and have placed it under an Inspector General of Irrigation Works, with a consolidated salary of 3,000 rupees a month. The Government Resolution, copy of which was forwarded with the Despatch, states the necessity which exists for this arrangement. I confirm the creation of this new office, and your selection of Colonel Strachey to fill it.

2. In

2. In conveying to you my sanction of your proceedings in this matter, I must express my gratification that your first measures in furtherance of the construction of irrigation works by the Government should have been so promptly taken. I do not doubt that, under the conduct of Colonel Strachey, the new arrangement will powerfully contribute to the speedy prosecution of these works.

3. I observe that the Inspector General of Irrigation Works is not to be vested with power of action that might interfere with the control of the local governments over the operations within their territories respectively. I am of opinion that, in thus encouraging the free action of the local governments, you have taken a judicious course.

I have, &c.
(signed) *Cranborne.*

EAST INDIA (IRRIGATION).

COPY of DESPATCHES on the Subject of IRRIGATION in *India* generally since the TRANSFER of the Government of *India* to Her Majesty.

(*Viscount Cranborne.*)

*Ordered, by The House of Commons, to be Printed,
6 March 1867.*

[*Price 10 d.*]

105.

Under 8 oz.

551

EAST INDIA (IRRIGATION).

FURTHER RETURN to an Address of the Honourable The House of Commons,
dated 4 March 1867;—for

“COPY of DESPATCHES on the Subject of IRRIGATION in *India* generally
since the TRANSFER of the Government of *India* to Her Majesty.”

NOTE.—These Papers are in continuation of those presented to the House of Commons
on 5th March 1867.

India Office, }
5 August 1867. }

W. T. THORNTON,
Secretary, Public Works Department.

— No. 1. —

PUBLIC WORKS DESPATCH from the Government of India to the Secretary of
State, dated 6th March (No. 34) 1867.

My Lord,

WE have the honour to acknowledge receipt of your Despatch, No. 9, of the 17th January last, on the subject of our report on the probable progress of the extension of irrigation in India.

2. Your Lordship appears, in the 2nd para., to have understood the passage of our report, in which we stated that it will require “two or three years in order to have designs and estimates for irrigation works prepared, and arrangements matured to carry on a large expenditure,” as implying that, until the expiration of two or three years, nothing more could be done than the outlay of 700,000 *l.* per annum, and that till then no further projects would be ready. This was not, however, what we intended. During the two or three years, projects will gradually come in, and works will be commenced and expenditure from year to year will be augmented accordingly; and by the end of that time we hope we shall have organised and established in working order all the arrangements necessary for a large expenditure on many important works. Our meaning was that we could not proceed at once in the course of a single year from the previous rate of expenditure on new irrigation works of 350,000 *l.* per annum to one of five or ten times the amount.

3. We may add, that none of the projects you refer to as lying in the Public Works Department at Madras, are in a fit state for immediate execution; they will all require revision before the works can be put in hand. But we have sanctioned all the outlay now required for Madras, and shall be ready to sanction as much more as can be usefully spent when projects are ready. The recent correspondence on local loans for Bombay will have shown that the grant assigned to that Presidency for the coming official year fully provides for all the irrigation projects that are really ready. We have already reported that we have assigned the Soane Project to the East India Irrigation Company. No projects have ever been prepared for Oudh, and the local authorities are not convinced that it will be desirable to carry out irrigation works there. We submit a copy of a letter from the Chief Commissioner on this point. Oudh is, perhaps, the province where such works will be the least required; water being near the surface, and the construction of wells easy.

4. The discussions of the last few years have tended to prevent any progress in the preparation of irrigation projects, as explained in our previous letter; and

though three years will not be required before some new projects will be ready for execution, that period will certainly be necessary before the expenditure can be developed to a large extent.

5. From the 4th and 5th paras. of your Lordship's Despatch, it seems to be supposed that we are waiting to complete the barrack building, and obtain the services of the engineers employed thereon before we proceed to carry out the extension of irrigation. This, however, is not the case. We merely referred to this in illustration of the necessity for careful arrangement and gradual extension of operations in any measures of such magnitude as those referred to. It is and was our full intention to proceed with all reasonable speed to extend irrigation, quite irrespective of the completion of the barrack accommodation, though it was reasonable to refer to the probable coincidence of the time of completing the barracks with the period when it would be possible to employ a greatly increased number of engineers on irrigation works.

6. We are fully prepared to act up to the wish of Her Majesty's Government, not to allow any consideration of secondary importance to interfere with the energetic prosecution of irrigation works, and to hasten the careful elaboration of proper designs and estimates, without which no valuable progress is possible. But we must beg permission, in conclusion, to refer to the great want which we suffer in the withholding of the supplies of young engineers which we have been expecting. Your last Despatch on this subject promises us 25 young civil engineers, under arrangements which will not place their services at our disposal before September or October next. What we principally asked for was a supply of young officers of Royal Engineers. It is not necessary here to refer to the reasons why we asked for Royal Engineer officers, or to enquire concerning the reasons which have prevented their being sent. We will only remark that, so far as can be ascertained from private sources, it is understood by our engineer officers that there are numbers of young officers of Royal Engineers employed in England and the Colonies on duties of comparatively small importance, and whose services could be immediately made available. It is said that they are anxious for such employment, while it may be advanced that their duties connected with irrigation works, or other works of magnitude in India, would afford them valuable experience which they could not acquire elsewhere. We trust that no minor difficulties connected with the scale of military establishments or terms of employment in India will prevent their being sent out to us at once. We could give employment to 30 or 40 immediately, and thus greatly facilitate the preparation of projects for irrigation works and the extension of public works generally in India.

We have, &c.

(signed) *John Lawrence.*
W. R. Mansfield.
H. S. Maine.
W. Grey.
G. N. Taylor.
W. N. Massey.
H. M. Durand.

Enclosure in No. 1.

(No. 1139, dated 8th September 1866.)

From Lieutenant Colonel *C. W. Hutchinson*, R.E., Officiating Secretary to Chief Commissioner of Oudh, in the Public Works Department, to the Secretary to the Government of India, Public Works Department.

I HAVE the honour to acknowledge the receipt of your circular letter, No. 25, dated 22nd March last, relative to irrigation works, and, in reply, I am directed by the Chief Commissioner to offer the following remarks:—

2. In your letter, under reply, it is explained that no project should be selected which is not likely to satisfy two conditions:—

1st. That it shall be calculated to prevent the occurrence, or mitigate the severity, of drought and famine.

2nd. That the work shall be remunerative.

3. It

3. It is also remarked that, while some Governments have already matured projects, and some can get projects prepared by their present establishments, others will require special officers for the work, in excess of those already employed by them.

4. The case, therefore, presents itself for consideration under the three following heads:—

1st. Are irrigation works necessary in Oudh to avert or mitigate drought and famine?

2nd. Is there, in this Province, a field for works of irrigation which may be reasonably expected to prove rapidly and eminently profitable? and,

3rd. Have any projects yet been matured, or is the present staff of engineers and subordinates in Oudh competent to undertake the work of preparing such projects, or will it be necessary to depute a special establishment for this work?

5. First, with regard to the necessity for irrigation works, with a view to avert drought, &c., Oudh is naturally a very well watered country, and famine and excessive drought may be said to be unknown in it. Streams, jheels, ponds, and tanks abound, water in wells is almost every where near the surface, and kutchha wells can (when required in unusually dry seasons) be very cheaply dug. Had the want of irrigation works been felt at any time in this Province, the subject would certainly have been brought forward, and the late Chief Commissioner, who knew the whole Province intimately from personal examination, would have left some opinion on record. But no correspondence of former district officers on this subject is forthcoming, nor do the officers now in charge of divisions and districts advocate the necessity for canals.

6. Nor can it be affirmed that canals in Oudh can be reasonably expected to prove rapidly and eminently profitable. To be remunerative, a canal would have to be cheaply constructed, and its waters sold at a low rate to ensure its use by the cultivators of Oudh, who are active, and laborious, and skilful in the construction of wells, and in irrigating from these, and from the ponds, jheels, and streams, with which the country abounds.

7. But no such project as that of a canal cheaply executed, and carried through districts where it would be profitably worked, can now be proposed. It is believed that Colonel Anderson, R.E., is the only professional officer who has examined the country with a view to making canals, and his opinion is understood to be against this expectation.

8. The Chief Commissioner has come to the conclusion that at present no scheme can be proposed for an irrigation canal in Oudh which would be likely to prove "rapidly or eminently profitable," so that the second condition imposed (in the letter under reply) on the selection of projects cannot be said to be fulfilled in the case of Oudh. In saying this the Chief Commissioner wishes to guard against the supposition, that he believes that all irrigation canals will probably be useless or unprofitable in this Province. He merely expresses the opinion that no propositions can now be made which fulfil the conditions which have been laid down by the Government. He believes that there are few parts of India in which works of irrigation will not be useful and remunerative, if it be possible to construct them efficiently at a reasonable cost. The Chief Commissioner's personal knowledge of Oudh is necessarily at present very limited, and he wishes to reserve to himself full discretion to re-open this question hereafter, when he becomes better acquainted with the wants of the Province, and with the means which exist of meeting them.

9. As the necessity or expediency of immediately commencing the construction of irrigation works in Oudh cannot be asserted by the Chief Commissioner, the question of projects already prepared, and of establishment for preparation of new projects, needs but brief comment.

10. As above remarked, the only officer who has professionally studied the Province, with a view to submitting canal projects, is Lieutenant Colonel Anderson, R.E., who, before the mutiny, took a line of levels from Birmdeo, on the Sardah, to Fyzabad. The sites for the head and the discharge of the canal were suitable, but the fall of the country was great, the soil for a considerable distance very sandy, and there were other difficulties to contend against.

11. No surveys for other projects have been undertaken. The establishments at present employed in Oudh are scarcely equal to a satisfactory prosecution of the works now in hand; and any preparation of projects for canals would necessitate the appointment to this Province of a special staff of officers qualified by previous training for such work.

12. In conclusion, I am to explain that the delay in submitting this reply has been occasioned by references to all the district officers in the Province, with a view to obtain as much information as possible on a subject of so great importance, and which does not appear to have been hitherto much considered.

— No. 2. —

PUBLIC WORKS DESPATCH from the Government of India to the Secretary of State, dated 23rd May (No. 81) 1867.

Sir,

WE observe that in the copy of Despatches on the subject of Irrigation in India, ordered to be printed by the House of Commons on the 6th March last, the latest Despatch which treats the subject generally in its financial aspect, and with reference to the preparation of projects, is that of Lord Cranborne, dated the 17th January 1867, No. 9.

2. As this Despatch, if unaccompanied by our reply (No. 34, of the 6th March 1867), is likely to convey the impression that the Governor General in Council was not prosecuting the extension of irrigation with all the vigour that is to be desired, and as a collection of correspondence ending with that Despatch hardly does justice to the part which has been taken by the Government of India in pressing forward this important subject, we trust that a supplementary copy of Despatches containing our reply to Lord Cranborne's Despatch, above referred to, will be laid before Parliament before the termination of the present Session.

3. We would mention the following as further Despatches, showing the proceedings taken by us towards the extension of irrigation, which might on the same occasion be printed:—

No. 153, dated 9th December 1865, and reply thereto; No. 19, dated 24th March 1866, on the subject of the proposed improvements to the Western Jumna Canal.

No. 60, dated 17th April 1866. Extension of the Biggaree Canal, in Sindh.

No. 65, dated 27th April 1866, forwarding Circular No. 25, of 1866, regarding preparation of Irrigation projects.

No. 122, dated 8th August 1866. Progress in preparation of Irrigation projects in Bombay.

No. 163, dated 18th October 1866. Budget Grants for the Madras Presidency.

No. 171, dated 30th October 1866. Poonah and Kirkee Water Supply project.

No. 9, dated 9th February 1867. Remodelling of the Ganges Canal.

No. 24, dated 27th February 1867. Refusal of guarantee for Soane Canal project, in consequence of the Government being prepared to carry out the work.

No. 27, dated 27th February 1867. Mr. Bourne's Scheme for the Rechna Doab.

No. 40, dated 16th March 1867. Regarding the Construction of Works of Irrigation from the Damoodah River.

No. 51, dated 25th March 1867. Funds for Madras Water Supply project.

No. 78, dated 22nd May 1867. Sutlej Canal project.

No. 79, dated 22nd May 1867. Appointment of Chief Engineers of Irrigation in Bombay and Bengal.

We have, &c.
(signed) *John Lawrence.*
W. R. Mansfield.
H. S. Maine.
G. N. Taylor.
W. N. Massey.
H. M. Durand.
G. U. Yule.

— No. 3. —

PUBLIC WORKS DESPATCH from the Secretary of State to the Government of India, dated 31st July (No. 72) 1867.

Sir,

Para. 1. I HAVE received your Excellency's Despatch, No. 81, of 23rd May last, in which you suggest that a copy of your Despatch, No. 34, of 6th March previous, should be presented to the House of Commons (in continuation of Parliamentary Paper, No. 105, of the present Session), together with copies of several other Despatches on the subject of irrigation in India, most of which should apparently, in your opinion, have been included in the last return.

2. The Despatch, No. 34, being a natural sequel to the papers presented by Lord Cranborne, together with the Despatch under reply, will at once be laid before Parliament, but as respects the other Despatches alluded to, I do not consider it advisable to adopt your suggestion. * Most of them relate to specific schemes of irrigation, whereas the object of my predecessor is understood to have been to exhibit, in as concise a form as possible, a comprehensive view of the general subject of irrigation in India, and the best means of promoting its extension. I am aware that several of the Despatches named by you (which were purposely excluded from the last return) treat of projects of the highest interest and importance, and the papers relating to some of them may very possibly be hereafter moved for in Parliament, in which case no objection will be made to their production; but I entirely agree with my predecessor in judging it inexpedient to commingle with correspondence on the general question of irrigation lengthy dissertations on individual schemes, and so indefinitely to prolong a return which was mainly prepared with a view to brevity and conciseness.

I have, &c.

(signed) *Stafford H. Northcote.*

EAST INDIA (IRRIGATION).

FURTHER RETURN.

COPY of DESPATCHES on the Subject of IRRIGATION in *India* generally since the TRANSFER of the Government of *India* to Her Majesty.

(*Viscount Cranborne.*)

Ordered, by The House of Commons, to be Printed,
6 August 1867.

105—1.

Under 1 62.

EAST INDIA (JUDGES).

RETURN to an Address of the Honourable The House of Commons,
dated 1 August 1867 ;—for,

“RETURN of the JUDGES now Presiding in all the LAW COURTS in *India*;
distinguishing those who were entitled to Practise at the Bar in *England, Ireland,*
or *Scotland*, from those who have no such Legal Qualification.”

India Office, }
15 August 1867. }

H. L. ANDERSON,
Secretary, Judicial and Legislative Department.

RETURN of the JUDGES now Presiding in all the LAW COURTS in *India* ; distinguishing
those who were entitled to Practise at the Bar in *England, Ireland, or Scotland*, from those
who have no such Legal Qualification.

ENGLISH.	IRISH.	SCOTCH.	CIVILIAN.
HIGH COURT, BENGAL :			
Sir Barnes Peacock. T. B. Norman, Esq. T. B. Phear, Esq. A. G. Macpherson, Esq. W. Markby, Esq.	None.	None.	G. Loch, Esq. H. V. Bayley, Esq. F. B. Kemp, Esq. W. S. Seton Karr, Esq. T. S. Jackson, Esq. E. Jackson, Esq. F. A. B. Glorer, Esq. (Acting). C. P. Hobhouse, Esq. (Acting).
HIGH COURT, MADRAS :			
Sir C. H. Scotland. Sir A. Bittleston.	None.	None.	W. Holloway, Esq. L. C. Innes, Esq. C. Collett, Esq. (also an English Barrister).
HIGH COURT, BOMBAY :			
Sir R. Couch. Sir J. Arnould. Sir C. Sargent.	M. R. Westropp, Esq.	None.	H. P. Tucker, Esq. (Eng- lish Barrister). T. Gibbs, Esq. (English Barrister). H. Newton, Esq. A. B. Warden, Esq.
HIGH COURT, NORTH-WESTERN PROVINCES :			
Sir W. Morgan. C. A. Turner, Esq.	None.	None.	A. Ross, Esq. W. Roberts, Esq. F. B. Pearson, Esq. R. Spankie, Esq.
CHIEF COURT, PUNJAB :			
C. Boulnois, Esq.	None.	None.	A. A. Roberts, Esq.

EAST INDIA (JUDGES).

RETURN of the JUDGES now Presiding in all the Law Courts in *India*; distinguishing those who were entitled to Practise at the Bar in *England, Ireland, or Scotland*, from those who have no such Legal Qualification.

(*Mr. O'Beirne.*)

*Ordered, by The House of Commons, to be Printed,
16 August 1867.*

FURTHER PAPERS RELATING TO MYSORE,

In continuation of No. 112, of Session 1866.

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(Foreign Department.—Political.—No. 185.)

The Governor General of India in Council to the Secretary of State for India.

Simla, 31 October 1866.

WITH reference to the correspondence ending with paragraph 3 of Sir Charles Wood's Despatch, No. 6, dated 8th February last, we have the honour to transmit herewith a memorial, in original, from his Highness the Maharajah of Mysore to the address of the Governor General, reiterating the request that he should be reinstated in the government of that State. We also forward a copy of the Governor General's reply.

We have, &c.
 (signed) *John Lawrence.*
W. R. Mansfield.
H. S. Maine.
W. Grey.
G. N. Taylor.
W. Massey.

KHUREETA from His Highness the Maharajah of Mysore, to His Excellency the Right Honourable Sir *John Lawrence*, Bart., K.S.I., G.C.B., &c., &c., &c., Viceroy and Governor General of India, Calcutta; dated 4th July 1866.

BUT for the necessity of consulting my advisers in England, I should long ere this have acknowledged the receipt of your Excellency's letter of the 5th of May 1865, informing me that my khureetas of the 25th January and 1st of February of that year had been transmitted to Her Majesty's Secretary of State, and that your Excellency had not been able to advise the reconsideration of my personal claim to be reinstated in the government of my country.

Had not your Excellency been pleased to enter upon the reasons which have led you to adopt this view, I should have been well content to leave the case as it stands to the wise and generous judgment of Her Majesty the Queen, my Imperial protector; but, on mature consideration, there appear to be some statements in your Excellency's letter which cannot be left entirely unnoticed without some danger of my silence being misconstrued, and my cause exposed to unnecessary prejudice.

Your Excellency observes that in treating the conquest of Mysore as the joint conquest of the British Government and the Nizam, and the cession thereof as the joint cession of both parties, I have fallen into an error which it is your Excellency's duty to correct. If I am indeed in error as to the joint conquest, I have erred in company with the Marquis Wellesley, the great statesman who placed me on the throne. His words were :—

“It is almost superfluous to state to you that the whole kingdom of Mysore, having fallen to the arms of the Company and Nizam, is at present to be considered as a part of their dominion.” (Despatches, vol. ii., p. 13.) “The Company and the Nizam derived an undoubted right to the disposal of the dominions conquered by their united arms. The right of conquest entitled the Company and the Nizam to retain the whole territory in their own hands.” (Despatches, vol. ii., p. 72.) Sir Thomas Munro and Sir John Malcolm, who took so distinguished a part in the campaign and in the first settlement of Mysore after my installation, have also left on record, in documents well known and easily accessible, their testimony that the conquest of Tippoo's dominions was the joint conquest of the Company and the Nizam. Lord William Bentinck wrote to the same effect in a letter to myself, which I shall shortly quote.

If I am in error as to the joint cession, I have been betrayed into that error by the recorded words of the Partition Treaty of 1799, in the 5th Article of which the British Government and the Nizam, the contracting parties, agree that the districts specified in one of the Schedules annexed to the Treaty “shall be ceded to the Maharajah Mysore Kishna Rajah, and shall form the separate Government of Mysore.” Article V. of my own Subsidiary Treaty likewise mentions “the territories ceded to him (to me) by the 5th Article of the Treaty of Mysore,” the Partition Treaty between the Company and the Nizam, by which Treaty, therefore, the cession was effected.

It was, no doubt, clearly understood by the Nizam, as your Excellency observes, that his accession of territorial rights was limited to the districts specifically assigned him in Schedule B. of the Partition Treaty. But I must add that the territorial acquisitions of the East India Company were also limited to the districts specified in Schedule A., and to the fortress of Seringapatam and the small tract of land assigned by Article III.; while the provinces intended to form the separate Government of Mysore, and ceded to me by the contracting parties under Articles IV. and V., are in like manner defined in Schedule C. of the same Treaty.

Your Excellency then proceeds to observe that the Nizam was not admitted as a party to the Subsidiary Treaty. This is true, but it was agreed between the British Government and the Nizam, under Article IV. of the Partition Treaty, that a separate Government should be established in Mysore under the representative of the ancient Rajahs; under Article V. certain specified districts were ceded to the restored Prince; and by Article IX. it was arranged that a subsidiary force for the effectual establishment of the Government of Mysore should be furnished by the East India Company, and that a separate Treaty should be immediately concluded between the East India Company and the Maharajah. The terms of the Subsidiary Treaty were then settled, and it is announced in the preamble to be concluded in consequence of what was stipulated in the Partition Treaty between the East India Company and the Nawab Nizam-ood-dowlah, and in order to carry the said stipulations into effect, the extent of my territories is not indicated in the Subsidiary Treaty, and can only be found by turning, as the preamble and Article V. direct, to the Partition Treaty concluded with the Nizam. And in perfect harmony with those interdependent provisions, which reciprocally explain the two Treaties and bind them indissolubly together, the Marquis Wellesley has himself placed on record his intention that my sovereignty should be restored and maintained under the protection of the Company and the Nizam. (Wellesley's Despatches, vol. ii., p. 38.) I cannot therefore admit that I have fallen into any error in speaking of the joint conquest or of the joint cession.

But I am reminded by your Excellency that the Nizam subsequently ceded in perpetuity to the British Government by the Treaty of 1800, not only all the territories acquired under the Treaty of Seringapatam in 1792 and the Treaty of Mysore of 1799, but also all his possessions and dependencies south of the Toombuddra and Kishna.

It is not, perhaps, a very important correction of this statement to remark that the Nizam, under Article VI. of the Treaty of 1800, retained a portion of these acquisitions from Mysore, the districts of Copal, Gujjinder Ghur, and others, and still retains them.

But I regret to say that I cannot perceive, nor has your Excellency explained, how these cessions and exchanges can touch my rights, or can affect the interest of his Highness the Nizam in the existence of the separate Hindoo State of Mysore. The Partition Treaty of Mysore was not abrogated by the fact of those cessions, nor by the Treaty which effected them, nor by any subsequent engagements; on the contrary, all former Treaties between the two States were expressly confirmed by these of 1800, 1822, and 1853.

The question of the share taken by the Nizam in the conquest of Tippoo's Empire, and of the position which his Highness acquired by that conquest, and under the Partition Treaty, as a guarantor of my restored sovereignty, is not one that I should have chosen to discuss, had not your Excellency, by dwelling upon it at some length, raised those several points of great prejudice to my dignity and to the integrity of my State, which I have now endeavoured to set at rest.

It is true, as I have already stated, that the Marquis Wellesley in one of his Despatches, alluded to the Nizam's protection as an additional pledge for the safety of the re-established Raj of Mysore. But it would be equally incompatible with my duty and my inclination to lay any stress, or to place any reliance upon the Nizam's guaranty, upon any foreign influence, or upon any national sympathy in my behalf. I have no protector, and I desire to have no protector but Her Majesty the Queen, to whom I now appeal, and I will never believe that before her august tribunal any inequality of strength (as in the case of his Highness the Nizam), or the position of subordinate and dependent alliance (as in my own case), can involve the insecurity of my hereditary title, or the instability of those obligations which the British Government has contracted with me, directly, or with the Nizam in my favour.

I am still firmly convinced that I have a very strong claim to reinstatement, on the ground of the original irregularity of Lord William Bentinck's assumption of the country. This view I have never ceased to urge upon the attention of the Supreme Government. Lord William Bentinck himself, when more fully informed on the subject, explained to the Court of Directors in his Despatch of the 14th of April 1834, the doubts which he entertained as to the legality and justice of the course that had been pursued. Your Excellency must be well aware that substantially the same difficulties were experienced, and the same opinions expressed by Sir Charles Metcalfe, Lord Auckland, and Lord Hardinge.

I have repeatedly urged upon the Government of India this point of the unwarranted and hasty manner, as acknowledged by the highest authorities, in which I was deprived of all share in the government of my dominions. And I still maintain that the original defect in the legality of that harsh and unprovoked measure; as Lord Metcalfe termed it, constitutes a powerful plea in my behalf for the removal, before I die, of the present stigma on my name.

I still uphold my protest against the mode in which the British Government, according to the acknowledgment of its most exalted servants, has strained beyond all just limits the protective powers of the Subsidiary Treaty, more especially by the undue and indefinite prolongation of their exercise; but I neither regret that those protective powers have been exercised for the reform of my Government, nor do I undervalue the generally beneficial effects of Lord William Bentinck's intervention. I have never denied the mal-administration of my dominions before the year 1832, and whatever may have been my views during the earlier period of British management, when my humiliation was more recent, when my hopes were more sanguine, and the good results of the change were yet doubtful, the great benefits that have been thereby conferred upon my State and my subjects have long been too apparent to be gainsaid or questioned by any one. For many years before the late General Sir Mark Cubbon relinquished the Commissionership of my territories, he was fully aware of my approval and admiration of the system which he had perfected.

I do not, therefore, object, as your Excellency supposes, to the radical cure that has been performed, but only to the continued detention of the patient under restraint after that radical cure has been effected. The patient that required curative treatment was the State of Mysore, not its Sovereign, as the

Special Committee and the Governor General distinctly pronounced in 1832, the fault of mal administration could not be said to rest entirely or even principally upon me, and until I am restored to my rightful position at the head of the Executive Government of my country, according to the purport of the treaties and according to the intention of Lord William Bentinck, the cure will never be considered complete by my people, or by any impartial observer. I can only repeat what I said in my letter to Earl Canning of the 23rd of February 1861, that the avowed object for which the government of my country was temporarily assumed has long since been accomplished, and that there is no justifiable pretext for its further retention.

Your Excellency, however, urges that being bound under Article XIV. of the Subsidiary Treaty to pay the utmost attention to the advice of the Company's Government, I failed to fulfil the obligations of this Article. If this had been the case, which I do not admit, the legitimate consequence would have been, not the permanent suspension of my royal functions, but that the British Government would then have been justified in insisting upon and enforcing the obligations of that Article, in which case, as can be seen by the immediate submission of myself and all my officers and servants to the still more severe measures of 1831, not the slightest obstacle or opposition could or would have been offered by the Mysore Government.

But your Excellency remarks, that in 1814, when the Resident felt himself called on to tender his advice, it stands on record that I sent an agent to Madras expressly to complain of the Resident's interference, and to obtain the abolition of the obligation under which I stood. I must remind your Excellency that for the time and to a certain extent the remonstrances of my agent were successful; that, as I have already stated in my khureeta of the 25th of January last, the Resident was instructed by the Madras Government on the 3rd of July 1814 to moderate and not to strengthen his interference. Thus, far from the strict observance of Article XIV. of the Treaty being insisted upon or enforced, its relaxation was promoted by the direct orders of the Company's Government.

There is one more fact in connexion with this critical period of my rule that I must bring to your Excellency's recollection. In the year 1814, when I am charged with being so jealously opposed to interference, I was just 19 years of age. I was permitted by the Company's Government to assume absolute power at the age of 16. I was encouraged by the Madras Government to resent the Resident's close and strict supervision at the age of 19; and after such a political training it is not very surprising that in 1825 I was no more amenable to advice than in 1814, and that the faults of my administration became of such a nature as could not be cured by the mere repetition of remonstrances unaccompanied by a specific and authoritative plan of reform.

I am most grateful for the radical cure that has been effected, though I believe the same results might have been attained with even greater advantage to the Prince and to the people of Mysore by a milder remedial course more in harmony with the letter and spirit of the Treaty. But I cannot sincerely profess to be grateful for the patient, though remonstrant forbearance which, your Excellency tells me, the Company's Government observed towards me for so many years from a wish to consult my position, dignity, and authority. That interval of unreforming forbearance allowed me to fall into error and danger, and was terminated by the sudden and severe blow to my position, dignity, and authority, under which I am still suffering, from which I have as yet been able to obtain no relief, and which now begins to threaten the very existence of my dynasty and State.

Your Excellency affirms the necessity of maintaining intact the system of administration under which the Mysore country has so greatly prospered. I have pledged myself to maintain that system, and there can surely be as little reason to doubt my sincerity in giving that pledge as there is to doubt the ample means and appliances at the disposal of the British Government to watch over and secure its due and exact observance.

Although no notice of it is taken in the letter now under reply, your Excellency cannot have failed to verify the facts mentioned in my khureeta of the 25th of January last, that several of the imputations cast upon my personal rule and conduct, and by which Lord William Bentinck was mainly influenced, were, after a close local investigation by the Special Committee and afterwards by the Governor General in person, discovered to have been either

unfounded

unfounded or exaggerated; that the rebellion in Nuggur was clearly shown not to have been caused by any oppression or tyranny for which I could be held answerable; and that his Lordship defended my character in a Despatch to the Court of Directors, and declared his belief that I should make a good ruler in future. Your Excellency, however, objects that if in the flower of my manhood, after experience of some 20 years' rule, I failed to govern my country wisely and well, there can be little hope I should do so now. I must once more remind your Excellency that my 20 years' experience of despotic power commenced when I was 16 years of age, under all those disadvantages and with all those deficiencies of training, instruction, and control, that I have already explained in my khureeta of the 25th of January last. Notwithstanding the officially recorded changes in my views of the reformed system, notwithstanding General Sir Mark Cubbon's officially recorded acknowledgment in his letter of the 2nd of June 1860, of the cordiality observed by me for a good many years towards the existing administration, no credit is given me for the wisdom that comes with age, with reflection, and with observation of passing events.

And yet I must in justice to myself claim to have observed much, and to have learned much in my long retirement. Among other lessons, I have learned that the possession of absolute power is a dangerous and undesirable possession for any man; and I have observed that although my unskilful use of absolute power in early life has been severely blamed, the British Government is careful to entrust no such prerogative to any of its functionaries from the highest to the lowest. Every officer, civil and military, every magistrate, including even the monarch, is ruled and guided by the law. To this great method of established law and order, in financial, judicial, and administrative affairs, I should wish my Government to conform, and I am ready and willing to bind myself and my successors to rule in obedience to such regulations and ordinances as in the first instance and from time to time may be approved by the protecting power.

The question, however, of my reinstatement at the head of the Government of my territories is now complicated with one of much higher and more lasting importance, that of the future destiny of my adopted son and of the ancient Hindoo State of Mysore, of which I am the reigning representative, and he is the lawful heir. I did not bring forward in my khureeta of the 25th January last, or in the earlier part of this letter, the subject of the Nizam's share in the conquest and partition of Tippoo's provinces as having any particular connection with my claim to personal restoration, but only as one among many political embarrassments that might press upon Her Majesty's Government in the event, which God forbid, of the appropriation of my country as a lapse to the paramount power. For I cannot conceal from myself that every disparagement of my ancestral title, and every discountenance of my right to adopt a successor must involve some allusion, must convey some reference to the future maintenance or total extinction of this tributary and separate State. And therefore I can no longer look upon my prolonged suspension from public functions as a matter merely affecting my personal dignity and reputation, when I find the object of that suspension, as declared to me by Lord William Bentinck, viz., "the preservation of the State of Mysore" and "the permanent prosperity of the Raj," to be completely dropped, and, when arguments are now employed to justify a persistence in my suspension, which point to the subversion of the State of Mysore, and the utter extinction of the Raj at my decease, a period which at my advanced age cannot be considered very far distant. A due regard for the honour of my ancestors, for the rights of my son and my family, and for the best interests of my people, compels me to maintain the real strength of my title, both by birth and gift, to vindicate my right to adopt a successor, and to claim from the protecting power my personal restoration, as the best proof that can be given that the preservation of the Raj is still intended, and not its speedy destruction.

With reference, first, to my ancestral title, it is quite true that in order to obviate any future doubt as to the sovereignty of any of the districts retained by the Company and the Nizam, the whole settlement was based by Lord Wellesley upon the Allies' right of conquest, and, in his Lordship's words, their cession was made the source of my dominion. (Despatches, vol. ii., p. 26.) I fully and gratefully acknowledge that my tenure of the Mysore country was not derived from ancestral and hereditary rights, but from the free gift of the Allies. But I cannot admit that my tenure of the Mysore country was not at all derived,

as urged by your Excellency, from ancestral and hereditary claims; a claim, even a very strong moral claim, differs very widely from an absolute right. The Marquis Wellesley himself, while denying that my family could assert any right, pronounced that moral considerations and the antiquity of our legitimate title favoured the policy of restoration, and his Lordship invariably made use of the expression that I had been "restored to the throne." And Lord William Bentinck, in his letter of the 7th September 1831, wrote to me as follows: "Your Highness is well aware of the generosity displayed by the conquerors; instead of availing themselves of the right of conquest, and of annexing the territories of Mysore to those of the Honourable Company and of the Nizam, the sovereignty was restored to the family of the ancient Rajahs of the country, who had taken no part in the contest, and your Highness was placed on the Musnud." While, therefore, I never have asserted, and do not assert, that my accession to the throne was the simple consequence of my hereditary right, I cannot doubt, in the face of all the contemporary records, that my ancestral and hereditary claims were in great measure the cause and motive of my elevation.

With regard to the second point, upon which I feel the deepest anxiety, I can hardly conceive that the apparent purport of your Excellency's words is the real one, when, in opposition to my declared intention of adopting a successor, now happily carried into effect, I am reminded that my tenure of the country is by the free gift of the British Government.

It would have been more accurate, in my opinion, if your Excellency had said that the origin, not the tenure, of my restored sovereignty was the free gift of the British Government; but I want no better tenure. Surely your Excellency did not intend to imply that the free gift of the British Government confers an insecure and precarious title. Are the gifts of Great Britain, even when confirmed by Treaties, less valid and less sacred than the grants of Delhi or Poona? Yet, neither the Great Mogul nor the Peishwa, in all the plenitude of their imperial and federal supremacy, ever pretended to the right of forbidding a succession by adoption, or of otherwise impeding the operation of the Hindoo Law of Inheritance in the families of dependent and tributary Princes.

Your Excellency asserts that the principles of the Hindoo Law of Inheritance have no application to Chiefships; and above all none to those held under the conditions on which Mysore was conferred upon me. The burden still lies upon your Excellency to show, for you have not attempted to do so, how the Hindoo Law of Inheritance, which is the law of Mysore, and the main object of which is to prevent the extinction of families, can be inapplicable to the family of the Rajah of Mysore. The burden, as it appears to me, lies upon your Excellency to show how the Hindoo Law of Inheritance, which is the law of India, and by virtue of which the meanest and the highest Hindoo subject can alike transmit to an adopted heir all his rights, dignities, and possessions, which are by their nature and essence heritable, can be inapplicable to the rights, dignities, and possessions of a Hindoo Prince like myself, who, although a tributary and dependent ally, and owing the allegiance of a faithful feudatory to Her Majesty, cannot be properly included among the subjects of the British Crown. But even if I could be fairly classified as at once a sovereign and a subject, the principles of the Hindoo law of inheritance would still be applicable to my case. From time immemorial the rights, dignity, and possessions of a sovereign in India and throughout the world have been held to be essentially heritable, and are transmitted either by the ordinary law of the land or by some special law of royal succession. No special law, no special exception, is applicable to my case. I am the Hindoo sovereign of a Hindoo principality.

But I am told that above all the Hindoo law of inheritance has no application to chiefships held under the conditions on which Mysore was conferred upon me. The conditions on which Mysore was conferred upon me are recorded in the two Treaties of 1799. I know of no other conditions, and I cannot find any article or clause of those treaties that institutes any new or special law of succession, that impugns or limits the operation of the Hindoo law, or declares it to have become inapplicable to a family whose successions had been regulated by its principles for many centuries.

The Marquis of Dalhousie in a Minute of the 16th January 1856, which has been

been recently published in England, founded his expectation of eventually acquiring the Mysore territories upon the fact that I had no legitimate son or grandson; that I had adopted no heir; and (as he had been erroneously informed) that I had never intended to make an adoption, thereby, as it appears to me, admitting my right to adopt a successor if I had wished to do so.

Earl Canning also, in a letter to Her Majesty's Secretary of State, dated the 30th March 1860, which has been lately brought to my notice, in a similar manner observes, that I have no son, and that I have not adopted a son; and his Lordship hopes to obtain my kingdom in full sovereignty, by the free-will of the ruler under a supposed intention on my part to bequeath it to the British Government. By the expression of this hope, by declaring me to be the sovereign of Mysore, and the people of Mysore to be my subjects, and by upholding a right in me (which for myself and my heirs I emphatically repudiate) to bequeath my dominions to the protecting power, I maintain that Lord Canning has in this Despatch fully admitted my sovereignty and my right to adopt a successor.

Allow me to bring to your Excellency's recollection those memorable words by which the lamented Earl Canning, in his officially published Despatch to the Secretary of State of the 30th of April 1860, acknowledged that, notwithstanding all the previous assertions to the contrary, no precedent could be found for declining to recognise a succession by adoption to territorial and princely rights: "We have not shown, so far as I can find, a single instance in which adoption by a sovereign prince has been invalidated by a refusal of assent from the paramount power." And he thus continues: "I venture to think that no such instance can be adduced, and that the practice which has prevailed is truly described by Sir Henry Lawrence, where he says: 'The confirmation of the Suzerain is necessary in all cases. He is the arbitrator of all contested adoptions; he can set aside one or other for informality, irregularity, or for misconduct; but it does not appear, by the rules or practice of any of the sovereignties, or by our practice with the Istumrardars of Ajmere, that the paramount State can refuse confirmation to one or other claimant and confiscate the estate, however small.'" His Lordship adds: "I believe that there is no example of any Hindoo State, whether in Rajpootana or elsewhere, lapsing to the paramount power by reason of that power withholding its assent to an adoption."

That Despatch and the measures consequent upon its approval by the Secretary of State, taken in conjunction with Her Majesty's Proclamation, have spread a sense of security and a spirit of loyalty, not only throughout the native States, but throughout the whole of India. God forbid that during your Excellency's administration any steps should be taken to contradict the admission and assurances of that admirable Despatch, to discredit the promises of that Royal Proclamation, to weaken the sense of security, or to confound the spirit of loyalty.

Your Excellency remarks that during the last 33 years great changes have taken place, and that new interests have grown up. New interests have indeed grown up; but I cannot perceive that my re-instatement would in the least injure or endanger them, nor can I allow that, as new interests arise, treaties may be disregarded; nor can I acknowledge that the doubts and fears of these new interests ought to be allowed to obstruct or destroy those older and more permanent interests of which I am the symbol and guardian.

Times have changed indeed. It is not likely that a state of affairs will ever again arise in India, in which a British Viceroy and a British General shall thankfully declare, as the Marquis Wellesley and the great Duke of Wellington did in the early part of my reign, that the kingdom of Mysore had afforded real assistance to Great Britain in all her difficulties, and had been enabled in some degree to repay, by the efficacy of its help in the hour of emergency, the protecting influence and power of the British Government.

It is not to be expected, it is hardly to be feared, that India will ever again be visited by the horrors of 1857, and it is not therefore likely that I or any successor of mine will ever have occasion to render that "ready and useful assistance to Her Majesty's troops," and to exercise that personal influence in the cause of peace and order for which I, half a century after the departure from India of the two illustrious brothers whose eulogies I have quoted, again received the thanks of the Government of India, and the still more gratifying assurance from the Queen of Great Britain herself that as I am the oldest, so am I the staunchest, of her allies.

It is not likely that events of this nature should occur again, but I think they ought not to be forgotten. It is true that they can give no additional validity, they can add no new sanction to the recorded terms of solemn treaties, but they are at least proofs that my engagements have not been violated, and that the objects of those who framed the Subsidiary Treaty have not been entirely unfulfilled. That treaty, as well as the Partition Treaty of Mysore, with which it is inseparably connected, is still in full force, and I appeal with confidence to Her Majesty the Queen, that those Treaties, in the words of Her Majesty's Royal Proclamation, may for ever be scrupulously maintained.

I have to request that this letter may be submitted in due course to Her Majesty's Secretary of State, and I trust that after a mature consideration of the arguments and explanations I have offered your Excellency may yet be convinced of the justice of my claims, and may support my prayer to be reinstated at the head of the Government of my dominions, under such conditions and with such securities for British interests, and for the welfare of my subjects, as may appear sufficient to the paramount and protecting power.

KHUREETA to His Highness *Kristna Raj Wudayer Bahadoor*, Maharajah of Mysore; dated Simla, 31st October 1866.

I HAVE received your Highness's khurecta dated the 4th July, calling in question some of the views expressed in my letter to your Highness of the 5th May 1865, and reiterating the request that your Highness should be reinstated in the Government of Mysore.

2. I regret that your Highness, in conformity with the counsel given in my last letter, dated 21st August 1865, has not acquiesced in the decision of Her Majesty's Government. Nevertheless, the khurecta under acknowledgment shall be forwarded, as your Highness desires, for the perusal of Her Majesty's Secretary of State for India.

(signed) *John Lawrence.*

(Political.—No. 69.)

The Secretary of State for India to the Governor General of India in Council.

India Office, 16 April 1867.

Para. 1. I HAVE received and considered in Council the letter of your Excellency's Government, in the Foreign Department, dated 31st October, No. 185, of 1866, enclosing a khurecta from his Highness the Maharajah of Mysore.

2. In considering the questions raised in that communication, it is unnecessary for me to advert in detail to the observations of his Highness upon the transactions referred to in the earlier part of his reign, before the assumption of the Government of Mysore by Lord W. Bentinck. The request of the Maharajah that he should himself be reinstated in the Government of the Mysore territory was fully considered in Council, and the final decision of Her Majesty's Government was communicated to you in Sir Charles Wood's Despatch of 17th July (No. 57) 1865. I cannot hold out any hope that it will be reversed.

3. The decision, however, of Her Majesty's Government with respect to the disposal of the territory of Mysore, after the death of the present Maharajah, has not yet been communicated to you. In the khurecta transmitted by your Excellency, this question is formally raised; and it now becomes my duty to convey to you the instructions of Her Majesty's Government upon this important question.

4. Without entering upon any minute examination of the terms of the Treaties of 1799, Her Majesty's Government recognise in the policy which dictated that settlement a desire to provide for the maintenance of an Indian dynasty on the throne of Mysore, upon terms which should at once afford a guarantee for the good government of the people, and for the security of British rights and interests.

interests. Her Majesty is animated by the same desire, and shares the views to which I have referred. It is Her earnest wish that those portions of India which are not at present under Her immediate dominion may continue to flourish under native Indian rulers, co-operating with Her representatives in the promotion of the general prosperity of the country; and, in the present case more especially, having regard to the antiquity of the Maharajah's family, its long connection with Mysore, and the personal loyalty and attachment to the British Government which his Highness has so conspicuously manifested, Her Majesty desires to maintain that family on the throne in the person of his Highness's adopted son, upon terms corresponding with those made in 1799, so far as the altered circumstances of the present time will allow.

5. In considering the stipulations which will be necessary to give effect to this arrangement, I have, in the first place, to observe, that Her Majesty's Government cannot but feel a peculiar interest in the welfare of those who have now for so long a period been subject to their direct administration, and that they will feel it their duty, before replacing them under the rule of a Native Sovereign, to take all the pains they can with the education of that sovereign; and also to enter into a distinct agreement with him as to the principles upon which he shall administer the country, and to take sufficient securities for the observance of the agreement.

6. It is, therefore, the intention of Her Majesty that the young prince should have the advantage of an education suitable to his rank and position, and calculated to prepare him for the duties of administration; and I have to desire you to propose to the Maharajah that he should receive this education under the superintendence of your Government. I have to request that you will communicate with me as to the mode in which this can best be effected without separating the young prince more than is necessary from those over whom he may hereafter be called on to rule. If, at the demise of his Highness, the young Prince should not have attained the age which you, upon consideration, may fix for his majority, the territory shall continue to be governed in his name upon the same principles, and under the same regulations, as at the present time. Upon his reaching that age, or at an earlier period, if you should think it desirable, it will be the duty of the British Government, before confiding to him the administration of the whole, or any portion, of the State, to enter into an arrangement with him for the purpose of adequately providing for the maintenance of a system of Government well adapted to the wants and interests of the people.

7. As regards the rights and interests of the British Government, it is sufficient now to point out that, as the cost of supporting troops has largely increased since the date of the Subsidiary Treaty of 1799, it will obviously be necessary that the terms of that Treaty should be revised, and some addition made to the subsidy. The great increase which has taken place in the resources of Mysore since 1799, and more especially since the assumption of the Government by Lord W. Bentinck, will prevent such addition being felt as an undue burden. The precise terms of the revision may be left to be settled when the young Prince is put in possession of the administration.

I have, &c.
(signed) *Stafford H. Northcote.*

EAST INDIA (MYSORE).

FURTHER PAPERS

RELATING TO

MYSORE,

In continuation of No. 112, of Session 1866.

(Presented to Parliament by Her Majesty's Command.)

*Ordered, by The House of Commons, to be Printed,
30 April 1867.*

239.

Under 1 oz.

EAST INDIA (MYSORE).

509

569

RETURN to an Address of the Honourable The House of Commons,
dated 3 May 1867;—for,

“COPY of the MINUTES of the Members of the Council of *India*, and of
any other PAPERS or PROCEEDINGS relative to the DESPATCH conveying
the INSTRUCTIONS of the Secretary of State for *India* to the Governor
General of *India* respecting the CLAIMS of the Maharajah of *Mysore*.”

India Office, }
6 May 1867. }

J. W. KAYE,
Secretary, Political Department.

(*Lord William Hay.*)

Ordered, by The House of Commons, to be Printed
7 May 1867.

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COPY of the MINUTES of the Members of the Council of *India*, and of any other PAPERS or PROCEEDINGS relative to the DESPATCH conveying the INSTRUCTIONS of the Secretary of State for *India* to the Governor General of *India* respecting the CLAIMS of the Maharajah of *Mysore*.

PAPER recorded by the Secretary of State.

HAVING felt it to be my duty to overrule the majority of the Council upon the question of the Mysore Despatch, I desire to place upon record my reasons for so doing.

The objections taken to the Despatch were three:—

1st. That it amounted to a reversal of the policy of previous Governments, and more particularly of that announced by Lord Canning and Sir John Lawrence, and confirmed by Sir Charles Wood.

2nd. That it unnecessarily and inconveniently pledged a future Secretary of State to a particular course, instead of leaving him free to act according to the circumstances which may exist when the proper time for action arrives.

3rd. That the policy of replacing Mysore under native rule is bad.

The principal question which was brought under the consideration of Lord Canning was the question whether the present Maharajah should be again entrusted with the management of the country. That question Lord Canning answered in the negative in his letter of the 11th March 1862, and Sir Charles Wood confirmed his Lordship's decision in his Despatch of 17th July 1863. With that decision the present Despatch does not interfere. On the contrary, it distinctly upholds it.

It is true that Lord Canning's Despatch contains an argument intended to show that the Maharajah had no claim as of right to anything beyond a personal provision, which would terminate with his life, and to which even a natural-born son would have no claim. But it is studiously silent as to the policy which the British Government would pursue in respect of the disposal of the country after his Highness's death; and both Lord Canning and Sir Charles Wood (in the Despatch of July 1863) admit that the Government had abstained from taking any step which might interfere with the free exercise of their discretion in any future circumstances which might arise.

It is true, also, that the terms of Lord Canning's "Adoption Despatch" do not include Mysore, and that Lord Canning did not send a copy of it to the Rajah. It is also true that he expressed an opinion that it was desirable that the country of Mysore should be bequeathed to us in full sovereignty by the freewill of the ruler, as he at one time expected that it would be. It cannot, therefore, be denied that Lord Canning's policy pointed to the assumption of the country after the present Rajah's death. But he never declared it to be the intention of the Government to assume it. His efforts, indeed, seem to have been mainly directed to dissuading and discouraging an adoption, and as he died before an adoption took place, it is useless to speculate on the course he would have taken under the present altered circumstances of the case.

As the present Despatch does not traverse any of Lord Canning's arguments, and as it deals with a different state of affairs, I cannot admit that it is properly to be called a reversal of his policy. I will only add that, whether it is in exact accordance with what he would have done in the particular case of Mysore or

not, it is distinctly in conformity with the broad general policy which dictated Her Majesty's Proclamation of 1858, and Lord Canning's own Adoption Despatch in 1860.

With regard to the policy which has been announced by Sir John Lawrence, the case stands somewhat differently. It appears that the Maharajah addressed a request to the Government, through Mr. Bowring, that he should be permitted to adopt a son and heir to inherit his country. In the reply to this request, the Maharajah was informed by Sir John Lawrence, and the decision was confirmed by Sir Charles Wood, that "no authority to adopt a successor to the Raj of Mysore has ever been given him, and that no such power can now be conceded to him;" and subsequently, when his Highness adopted a son, the British Government, while acknowledging that he might do so in respect of his private property, refused to recognise the adoption of an heir to the Mysore State.

Sir John Lawrence, however, did not intimate, nor have the British Government ever declared, what it was their intention to do with the State of Mysore after the death of the present Rajah. This point has hitherto been left undecided, or at all events no decision has been announced; and, so far as I can see, the action of the Government has been left entirely free. It would be a very forced construction, if any one were to maintain that in refusing to permit the Rajah to adopt an heir as of right to his dominions, we had pledged ourselves not to place his adopted son on the throne. Had the Rajah died the day after Sir John Lawrence had refused to recognise the adoption, there would have been nothing inconsistent with our previously announced policy in our declaring that the Mysore State should be maintained under a native Prince; and had we declared this, it would have been absurd to say that we might have named any other Prince we pleased, but had debarred ourselves from the right of naming the particular child who had been adopted by the late Sovereign.

The present Despatch does not enter upon the question of the right of adoption at all. I cannot see, therefore, that it can be regarded as a reversal of the declarations of Sir John Lawrence, which were limited to a denial of that right.

To sum up this part of my argument, I maintain that, as none of my predecessors had announced any decision as to the disposal of the State after the Rajah's death, and as I have abstained from even discussing, and much more from disputing, the arguments which they have from time to time advanced as to the rights of the British Government, the construction of treaties, and the principle of adoption, I cannot fairly be said to have reversed their policy.

If, however, I have put a wrong construction upon the declarations of my predecessors, and if the decision announced in the Despatch, to preserve the separate existence of the State of Mysore after the death of the Rajah, is to be looked upon as a reversal of their policy, then it must follow that their policy (though not distinctly avowed as such) must have been a policy of annexation; and, if that were so, I think that the inconveniencies of reversing it ought not to be regarded as equivalent to the inconvenience and inexpediency of pursuing it.

I come now to the second objection, viz., that I have unnecessarily and unduly compromised the free action of my successors.

I will not discuss the general question, how far any government is to be restrained from action by the consideration that what it does may affect the acts of its successors. I will merely observe, that the argument against me on this point comes rather strangely from those who desire to hold the present Government bound, not merely by the decisions of their predecessors, but by inferences drawn from their language upon points which they have not decided.

Admitting, for the sake of argument at all events, that a government ought not to take steps binding its successors without clear necessity, I contend, first, that in the present case there was a clear necessity for action; and, secondly, that in what I have said I have left my successors as free as it was possible for me to do consistently with the steps which I felt bound to take at the present moment.

Up to the month of June 1865, the communications between the Maharajah and the British Government had been directed to two points, the desire of the Rajah to be restored to the throne, and his desire to adopt an heir to the dominion. The British Government refused to grant his request on the first point, or to authorise his giving effect to his wish on the second. Sir John Lawrence did not, however, abandon the policy of reserve as to the ultimate disposal of the country which had been pursued by his predecessors.

That policy has now, however, become more difficult. A continued refusal to express any decision as to the future disposal of the State would now be taken to imply an intention to set aside the adopted son, and to annex the country. It would have appeared that silence was only an evasion of questions which it was thought inconvenient to discuss, and it would probably have been regarded as far more ominous than a distinct declaration of our intentions. The consistency of our expected course with the spirit of the adoption Despatch, and of the Queen's proclamation, the indications which it might be supposed to afford of an intention to draw back from that policy whenever we could do so, and other questions of an equally embarrassing character, would have been freely canvassed in every Native State, and a policy of mystery and reserve would have produced uneasiness. In the meantime the adopted son of the Rajah would have been growing up and receiving the worst possible education at the hands of a party which would have been formed in his interest, and which would have taken care to instil into him the idea of his rights and of the injustice which was in contemplation. They would have brought him up, not as a sovereign, but as a pretender.

It seems to me, therefore, that the time had come when a frank declaration of our intentions had become necessary; and when, if we meant ultimately to annex the country, we had better say so, and give our reasons, and if we did not mean to annex it, we ought to say what we did mean to do with it.

It must be borne in mind that the question was not, as some have put it, what was to be done 15 or 16 years hence, when the young man should have attained to years of discretion; but what was to be done immediately on the death of the Maharajah, which might happen at any time? The steps which our representatives in India would have to take immediately on that event might materially affect the solution of the whole question; and it did not appear to be a wise or statesmanlike course to leave them without distinct instructions as to what, in that case, they were to do.

It was, therefore, I think incumbent on the Government to act at the present moment. But I have endeavoured to avoid any language that would unnecessarily limit the free action of my successors. I have carefully abstained from admitting any claim of right on the part of the Maharajah or his heirs, though I have not thought it necessary to repeat the argument of Lord Cranborne, which was directed to show that his right, under the treaties of 1799, was a merely personal one. I have pointed out that, before admitting the young prince to a share in the administration, it will be our duty to make proper stipulations, and to take sufficient securities, for the good government of the people; but I have not attempted to prescribe what those stipulations and securities should be. I have left it entirely open to my successor to decide whether he shall be entrusted with the administration of the whole or only of a portion of the State; and while I have declared that the terms of the Subsidiary Treaty must be revised, I have left it to my successor to decide what the nature of the revision should be. Should it, for instance, be his opinion that it is desirable to accept a cession of territory in lieu of an increase of subsidy, it will be in his power to do so.

I contend, therefore, that the present Government have not acted before it was necessary for them to do so, and that they have not unduly limited the free action of their successors.

As regards the third question, viz., the policy of restoring the State to a native rule, I do not think it necessary for me to enter into a lengthened argument.

I believe it to be both our duty and, in a large sense, our interest, to maintain the existence of separate native States, and to exercise our influence to secure them good government at the hands of native rulers, wherever such a course is practicable. In order to give effect to this policy, we have found it necessary, and may find it necessary again, to take to ourselves the power of assuming the administration of misgoverned States, and of governing them in trust for the native rulers, and for the benefit of the people. It is important that we should prove that in taking this course we are actuated not by a desire of territorial aggrandisement, but by a genuine desire to promote the welfare of the country with which we are dealing. We assumed, and we have retained, the administration of Mysore on the ground that the present Rajah had shown himself unfit for the task. It would be unfortunate were we to take a step which would put upon our proceedings a colour wholly different from that which we have for many years desired to give them.

I am not prepared to admit that the failure of the experiment, tried half a

century ago, in the person of the present Rajah, affords any conclusive proof that a different experiment, to be tried in the person of a child whose education has yet to be begun, must of necessity also fail. We have gained much experience since we placed the present Rajah on the throne, and India is in a very different position now from that of 1799 or of 1832. The Government upon whom it may devolve to make the arrangements with the young prince may find it possible to make stipulations of a much more precise and definite character than the loose provision that he is to pay respect to British advice; and if it should appear to them expedient, instead of admitting him at once to the full rights of sovereignty, to intrust him with them gradually, they will be able to form a good judgment of his capacity for administration, and to arrive at distinct views as to the limits which should be placed on his exercise of it.

I have now only to remark, in conclusion, that while my observations have taken the form of a defence of my own draft Despatch, I do not intend to draw any distinction between the terms of that Despatch and the policy announced by my immediate predecessor, Lord Cranborne. The decision at which he arrived, and which he announced on the part of Lord Derby's Government, that the time had come for declaring our intention not to annex Mysore on the death of the present Rajah, but to administer it as a separate State until the adopted prince should have attained the years of discretion, is the important and cardinal feature of the policy of the present Government. Adopting that policy from Lord Cranborne, I have simply endeavoured to state, in the Despatch under review, what seem to me its essential points, and to convey to the Viceroy the views of Her Majesty's Government, so far as it is necessary, under existing circumstances, that those views should be declared.

(signed) *Stafford H. Northcote.*

2 May 1867.

DISSENTS or other PAPERS which have been placed on record by Members of the Council of India on the subject of the Despatch to India in the Political Department, dated 16th April 1867, No. 69, relating to *Mysore*.

DISSENT by Mr. *Prinsep*.

IN the early periods of British connection with India, treaty engagements were always made personally with its sovereigns and with native chiefs. At each succession the treaty was renewed, in recognition of the successor, with any modifications which circumstances might require.

This was the universal rule, and the practice continued until the time of Lord Wellesley, and even for some time afterwards. On this account few, if any, of the treaties were in terms expressed as made with the Sovereign, his heirs and successors; and even when they were so, the accession of a new Sovereign would generally be thought to require a renewed engagement of some kind. It is doubtful whether a successful competitor for the sovereignty would have held himself bound by his predecessor's engagements, unless he personally ratified and confirmed them.

The treaties made in the period when this was the ruling condition and custom must be interpreted with reference to it. The Subsidiary Treaty of Mysore, by which Lord Wellesley established the present Rajah, Oodia-Vera, upon the guddee, and assigned to him a large share of the territory conquered from Tippoo Sultan, comes within this category. It is a treaty made with the prince himself, without mention of heirs and successors; and if the contracting Rajah had died during the time of Lord Wellesley, or at any time afterwards when this was the rule and diplomatic custom, there can be no doubt that a fresh treaty would have been made with any heir or successor who might be recognised, renewing the stipulations of that treaty, with any modifications that might at the time be deemed desirable.

Rajah Oodia-Vera, however, has sat on the guddee for more than 67 years. His reign has been the age of a dynasty; and because in this interval the custom has so far changed that we make treaties now binding the British Government,

not

not only towards the contracting sovereign or chief, but also towards his legitimate heirs and successors; and on the accession of the latter we have ceased to require a specific renewal and ratification from them personally, the same binding effect in respect to heirs and successors is claimed for this treaty, made with Rajah Oodia-Vera at a different time, when different customs prevailed, as is now given to treaties which contain a special stipulation in their favour.

This I have always denied, maintaining the right of the British Government, indeed, the necessity—inasmuch as it is yet bound by no specific engagement beyond the present Rajah's life—that whatever may be determined to be done after the decease of the present Rajah should be the subject of a new treaty if a successor should be recognised or appointed, and that the British Government would have the right to make any new arrangements their views of policy might dictate, with the same latitude of authority that was possessed by Lord Wellesley when he dictated the Subsidiary Treaty of 1799. They who advocate the extreme rights of the British Government maintain that this optionary power extends even to the assumption and annexation of the entire territory of Mysore, making only stipendiary provision for the Rajah's family and dependents. They, on the other hand, who advocate the extreme rights of the Rajah, maintain that the British Government cannot alter any part of the Subsidiary Treaty, but is bound to carry on its provisions and to place the Rajah's heir, in this case his adopted son, upon the guddee of Mysore, on the same precise footing as Oodia-Vera was placed in by the Treaty of 1799.

The possession of extreme rights does not entail the necessity for exercising them, and we who argue for the expiry of the Treaty of 1799 freely admit that it is a question of open policy how far and in what manner the British right of dictating new terms or making new arrangements should be exercised and enforced. All that we maintain is, that the proper basis to be assumed for settling what should be done upon the decease of the present Rajah is the fact that the existing treaty expired with him, and required to be renewed with or without modifications, and that the Rajah's heir, whether legitimate or adopted, could have no right to claim the benefits and privileges conferred by that treaty, unless it were renewed in his favour.

This is the real meaning of the communication that was made to the Rajah by the Governor General of India when he announced the adoption of a youth as heir to his Raj. This is the spirit in which that communication was approved and confirmed by the Secretary of State in Council. What should be done upon the Rajah's decease was left undefined, nor has there been any hint yet given in any Despatch to India of the specific course which it was intended to follow upon that event occurring.

Such was the state of things when a change occurred in the Government, and the Rajah was encouraged to address to the new Secretary of State the khureeta we have now under consideration. In it he renews his application to be restored to the administration of his country, which has now been conducted by British officers for more than 34 years. He urges also the right of his adopted son to succeed to the Raj and to all the rights and privileges he acquired under the Treaty of 1799, without diminution or modification, as a natural right attaching to his adoption as his heir.

This is the case we have before us, and the question is, what is the proper and the best answer to be made to this application?

With respect to the request to be restored to the administration of the country, there is no doubt about the answer; everybody agrees that this must be negatived, and the draft Despatch laid before the Council distinctly declares that decision. It is the case for the future only that we have to deal with.

I have explained that that question was left by the preceding Government of Her Majesty in this condition, viz., that upon the decease of the present Rajah the existing treaty would expire, and that it would lie entirely within the discretion of the authorities in India, according to their views of policy and to the instructions they might receive from us, to decide upon the course to be pursued.

They who have been induced by the Rajah's agents and agitators to advocate the Rajah's extreme rights, procured a motion to be made in Parliament, and Lord Cranborne, the late Secretary of State, felt called upon to make a statement of the views of Her Majesty's present Government upon the subject. He did so, unfortunately, before the khureeta of the Rajah had been considered and discussed in our Council, and before any decision had been come to respecting the nature of

the reply to be made to it, and before any Despatch had been drafted to convey to the Government of India instructions for its future guidance in the matter. Lord Cranborne, in his speech in the House of Commons, took up precisely the same grounds as his predecessors had done as the basis of our future proceedings in relation to Mysore. In a long argument, he insisted on the personal character of the arrangements made with the present Rajah in 1799. He based a great deal of his argument upon the wording of the Partition Treaty concluded with the Nizam, to which the Rajah of Mysore was no party. This was, I think, an error. We have nothing to do with this treaty in deciding whether and upon what terms to deal with the heirs and successors of the Rajah, whom that treaty gave us the right to establish in Mysore under such engagements as we might deem suitable, with which afterwards the Nizam was to have no concern.

If it had been stipulated in the treaty made with the Rajah that the territory should, under certain conditions, fall to us, that would have been no concern of the Nizam's; but the argument that the assignment made in the Partition Treaty was in itself only an assignment for life, lays us open to the claim of the Nizam to be participator in any fresh assignment or appropriation, as he was in the original one of 1799.

It is unnecessary, however, to refer to the particular line of Lord Cranborne's argument. The result, as I have stated, was in unison with the decision of his predecessors, and with my own opinion, viz., that the proper basis for all future proceeding was the expiry of the specific treaty of 1799, and the right of the British Government to make new arrangements according to its views of political expediency. He delivered this as the decision of Her Majesty's Government, and then proceeded to declare what its views were as to the course of policy to be hereafter pursued. And he concluded by promising to lay before Parliament the Despatch to carry out this decision and these views.

Although the Council had not been consulted before this decision was come to, the Despatch to carry it out could not be constitutionally framed and sent out without being laid before it.

Lord Cranborne resigned the seals of the Secretaryship for India before this could be done. We have had now before us the Despatch drafted by his successor to carry out the views thus explained to Parliament, and to which the Government is therefore, in a manner, pledged. The majority of the Council has disapproved this Despatch, and as the Secretary of State has signified his intention of forwarding it, notwithstanding, upon his own responsibility, under the powers he possesses by law, I feel it my duty, as one of those who opposed and disapproved of it, to put my reasons for so doing upon record.

1. The Despatch is quite silent on the subject of the expiry of the treaty, and freedom of the British Government to make new arrangements upon the decease of the present Rajah. This basis of action seems to be entirely abandoned, notwithstanding that it was so strongly argued for by Lord Cranborne, and is the basis that has been deliberately taken by the authorities in India, approved and confirmed by the Secretary of State in Council. The speech of Lord Cranborne will have been published in India, and translated into many of its languages. Everybody there will have made up their minds upon this point. The omission of any reference to it in the Despatch will be regarded as an abandonment of the ground so taken up, and evidently is so intended. This I regard as most injudicious and unwise, and as a needless sacrifice of the high position that was with full warrant assumed, and which position I consider that it is the duty of a patriotic statesman to maintain.

2. In place of this basis of action thus assumed by former Governments, and declared by Lord Cranborne in Parliament, is a paragraph referring to Lord Wellesley's policy in establishing a native prince in Mysore under subsidiary engagements, and guided by the advice of a British Resident, eulogising this policy, and declaring the present Government's high approval, and desire to maintain and continue it. This paragraph seems to be introduced as the foundation of future proceedings, in lieu of the basis of action above referred to. It is, as it appears to me, totally inapplicable to the present state of things in Mysore, and quite incongruous with what the Despatch decides as to the past, and declares as to the future. Mysore has not been a native state, governed by a native prince, on native principles, under a Resident's guidance by means of advice, since that scheme of Government broke down in 1832, and the British Government felt compelled to assume the direct administration of the entire country.

country. For 35 years Mysore has been administered by British officers, acting under the authority of the Government of India, with acknowledged benefit to the population. The Rajah himself, in his khureeta, bears testimony to this. His application to have the country restored to him, and to revert to the scheme of native government, guided by the advice of a resident, is distinctly refused in the preceding paragraph. And even for the future, no hope is held out that this scheme of government, so unnecessarily eulogized, will ever be reverted to. The paragraph seems to me quite out of place. It is felt that it would be impossible ever to make over a large territory like Mysore, that has once been governed upon system by British officers, who have made revenue settlements and decreed or otherwise established rights of property, to a native prince to be managed according to his caprices, assigning districts to favourites with unchecked powers, or leasing them to the highest bidders, as is the universal practice when the dominions are large. Consequently, in a subsequent paragraph of this very Despatch, the necessity of securing, under all circumstances, the rights and interests created by our administration, and the continuance of our institutions, in other words, of a British administration, is specifically declared. Thus, although the right of making new arrangements upon the decease of the Rajah would seem to be abandoned by the omission of all reference to the basis of proceeding hitherto assumed and declared, the necessity of the thing seems to be admitted, though based upon no ground of right.

3. But the strongest objection entertained by the Council refers to the paragraph which follows. The adopted son of the present Rajah is to be educated in the hope of making him hereafter a capable administrator. He is now a boy of four or five years of age. Rajah Oodia-Vera is upwards of 72; upon his decease the administration and everything else connected with Mysore is to be carried on as at present in the name of the adopted son, whose right to succeed to the exact position of his adoptive father is thus fully recognised, and the power of the British Government to re-adjust any errors or inconveniences that may have been discovered or experienced, and to suit our relations to the State to its existing circumstances, is entirely abandoned.

The paragraph I refer to is an instruction to leave everything at the death of the Rajah exactly in its present position, which is a prohibition to take any action whatsoever for the settlement or correction of any doubtful questions or difficulties which may now be felt or may be then discovered or pointed out.

The demise of the Rajah and a new succession is the natural time for settling these, and it is a specially fit occasion when the existing treaty, by not binding us towards heirs and successors, affords a manifest opportunity, and when the irregularity and doubtful character of the adopted son's position throws upon the British Government the necessity of deciding upon his recognition. The permanence of the Raj is one thing, the immutability of the specific stipulations and provisions of the Subsidiary Treaty with Mysore of 1799 is quite another thing.

This instruction to leave everything untouched on the demise of the Rajah, and to carry on the government then in the name of the adopted son exactly on the same terms as at present in the name of Rajah Oodia-Vera, concedes the immutability of that treaty. We claim for the British Government the right of doing on this demise the same that Lord Wellesley, the framer of that treaty, would have done upon such an occasion. We conceive that there can be no doubt whatever that, even assuming that his decision would have been to continue the Raj to the adopted son, he would have felt it is duty to revise the arrangements for the subsidy, taking territory in lieu of it, and to settle every other question of discovered doubt or difficulty. In the draft of Despatch laid before us, the time for doing anything is deferred until the Rajah shall have reached the age that may be settled as that of legal inheritance; thus it postpones for nearly 15 years the time for making any permanent arrangement for the country, leaving everything in the present confusion and condition of doubt, which will perpetuate the existing agitation fed by the liberal means placed at the disposal of the Durbar, by the continuance of the stipendiary and other money payments made to the Rajah.

The Despatch, in a subsequent paragraph, refers to the inadequacy of the amount of subsidy fixed in 1799 to maintain now the same military force that was then assumed to be necessary for the protection of the country.

The increased expense of troops of all arms in the present day is said to warrant the demand for an increased subsidy, at the same time that the largely augmented

revenue under our administration affords abundant means for increasing the provision for this necessary expenditure. This is a claim that may fairly be made even now, yet under the Despatch the time for making it is deferred until the young Rajah shall attain the age of maturity, and until it shall be determined, according to the disposition he may then display, whether to transfer to him the administration of the whole or of any part of the territory of Mysore.

I consider it very unwise and unstatesmanlike to prescribe any course that shall prohibit the Government of India from making a permanent arrangement upon the demise of the present Rajah. We may clearly indicate the wish of Her Majesty's Government that the Raj shall be continued in the person of the adopted son, but to prescribe beforehand that he shall be placed on the exact footing of his adoptive father, when we know of so many doubtful questions and disputed points that require to be authoritatively settled, and shall continue so until he comes of age, all which questions will, in the meantime, remain in abeyance, cumulating fresh difficulties, is a policy the declaration of which will not be creditable to the Government either in England or in India, and will there be viewed with not very respectful wonder.

(signed) *H. T. Prinsep.*

15 April 1867.

DISSENT by Sir *E. Perry*, concurred in by Mr. *Mangles*.

THE treatment of the question by Mysore has been so irregular and so opposed to the provisions of the Act regulating the conduct of Indian affairs by the Home Government, that I think it necessary to place the objections which I have stated orally to Lord Cranborne and Sir Stafford Northcote on record.

Lord Canning, on announcement of the large and generous policy of maintaining native dynasties in possession of their territories in cases where no natural-born heirs entitled to succeed existed, expressly excepted the Maharaja of Mysore from the list of those to whom he extended the boon so thankfully received by the ruling Princes of India.

He did this, on the ground that the Maharaja was not a ruling Prince, that the territories of Mysore had been long practically annexed to the British dominions, and that it was not for the interests of the inhabitants of Mysore to re-establish another puppet sovereignty after the signal failure of the experiment initiated by the Marquis Wellesley.

I have been twice in Mysore, and saw a good deal of its administration under Sir Mark Cubbon, and I firmly believe that, at the time Lord Canning's proclamation appeared, not a statesman in India ever contemplated the restoration of Mysore to a native dynasty.

In fact, to practical men, the restoration of a province so long in the possession of the British seemed equivalent to the restoration of the Heptarchy. The country was really annexed to the British dominions by the Subsidiary Treaty of 1799; and Lord Wellesley, explaining that treaty to Lord Castlereagh, uses this language: "in fact the territory governed in the name of the Raja was *actually annexed* to the Company's dominions by that article of the Subsidiary Treaty, which empowers the Company at any time to assume the direct management of the country." (Letter to Lord Castlereagh, dated 15th December 1803, cited in Sir Mark Cubbon's Despatch 89 of 1847.)

This exposition of the treaty was the same as that taken by all the politicians of the day, and was embodied in these words by James Mill, the historian, when discussing the transactions of Seringapatam; "in this manner it is evident that the entire sovereignty of the country was assumed by the British, of whom the Raja and his ministers could only be regarded as Vicegerents at will. (British India, vol. 3, page 140, 3rd ed.)

When, therefore, the British Government, in 1831, assumed the administration, in consequence of the flagrant misrule of the Maharaja, they did so in virtue of the "entire sovereignty" reserved to them in Lord Wellesley's treaty; and when Lord William Bentinck, in 1834, raised some doubts (doubts which are still entertained by a small minority of my colleagues) as to our power to assume the territory under the treaties, the Court of Directors, in a very masterly Despatch (45 of 1835), set this question at rest, by determining that, as the welfare of the inhabitants of Mysore was the main object aimed at by the treaties of Seringapatam, it was the duty of the Government of India to consult the welfare

welfare of the people exclusively, because the interests of good government and this welfare were inseparable. And on a review of what the interests of the people demanded, they absolutely declined Lord William Bentinck's proposal to make over any portion of the dominions to the Maharaja in full sovereignty.

Thus the matter rested for nearly 30 years, until the kurreeta of the Maharaja to Lord Canning in 1861 again raised the question of right in the Maharaja to be reinstated in his dominions as an independent sovereign.

Lord Canning, in an elaborate Despatch (11th March 1862), which was the last act of his administration, replied to every portion of the Maharaja's claim, and solemnly decided, in concurrence with a very able Council, that the Maharaja had no rights whatever under the treaty, except such as had been already accorded to him by the British; that the treaty was a personal one, which would therefore terminate with his life; and that even a natural-born son, if he had one, would have no right of succession.

Lord Elgin, who succeeded Lord Canning in 1862, entirely adopted the views of his predecessor, and communicated them to the Home Government.

The Secretary of State in Council (Lord Halifax) on three several occasions fully discussed the decisions of the two Viceroys of India. The subject-matter was laid before Lord Palmerston's Government, and the determination of the Home Government was in complete accordance with Lord Canning's views.

Sir John Lawrence, who took part in these discussions as a Member of Council, went out to India with a full knowledge of the views of the Home Government on the subject; and he also, as viceroy and representative of the Crown, has communicated the decision of Her Majesty's Government to the Maharaja.

This long preliminary statement has been necessary, in order to explain the objections to a despatch which completely overrules all the decisions of Government for the last 36 years, and notably the policy of three successive Viceroys of India, confirmed on more than three occasions by a previous Secretary of State for India in Council.

I object to the despatch, because, if it is founded on the opinion that the Subsidiary Treaty gives hereditary rights of succession to the Maharaja's adopted son, I differ from that conclusion; and because, if founded on expediency, I believe firmly that the interests of the inhabitants of Mysore will be much better promoted under the British Government than under a native dynasty, which, so far as I can discover from history, has no one association in its favour, neither antiquity of race,* length of rule, nor any one period of good government which can be cited in its behalf.

But my main object for recording a dissent is to point out that Lord Cranborne and Sir Stafford Northcote have formed their conclusions on the subject without (what I perhaps may be allowed to call) the advantage of hearing the views of their Council.

Lord Cranborne informed us that, soon after he took office, he wrote a Despatch in the Secret Department, ordering that, on the death of the Maharaja, no steps should be taken towards the annexation of Mysore, without communication with the Home Government.

This Despatch was not communicated to the Council, nor was its subject-matter in any way discussed, and I conceive that its transmission through the Secret Department is of doubtful legality. That power, formerly possessed by the President of the Board of Control, has become practically obsolete, and has never, that I am aware of, been previously exercised under the existing constitution of the Home Government. But the occasions for using it are expressly defined by the Act of Parliament 3 & 4 Will. 4, c. 85, s. 36. They relate to certain urgent occasions in which secrecy is required, and in no sense can include the instructions in question to the Governor General of India.

Lord

* The Maharaja calls himself, over and over again, "the rightful heir to the throne of Mysore, and the descendant of a long line of kings." It is right that the real facts should be stated. The first authentic date of any ancestor of his is 1507, when we find a Cham Raj, a Wadeyar, or district officer, of a few villages, under the Hindoo kingdom of Bijayanuggur. So limited were his possessions, that his successor, in 1548, wishing to visit a temple nine miles distant from Mysore, had to pass through the territories, and obtain the permission, of two neighbouring Wadeyars. On the decay of the state of Bijayanuggur, the Wadeyars of Mysore, by usurpation and energy, made themselves masters gradually of great portions of the present province, under two vigorous Wadeyars, between 1640 and 1704. At the latter period the spectacle so often witnessed in a native State occurred; a feeble ruler succeeded, the country was plunged in anarchy, became a prey alternately to Mārāthas and Mussulmen, and was finally annexed by Hyder Ali in 1761.

Lord Cranborne subsequently, in answer to a question put to him in the House of Commons, announced the decision of Her Majesty's Government on a further kurreeta from the Maharaja claiming the restoration of the territories of Mysore, and claiming also the right of hereditary succession for his adopted son. Lord Cranborne, speaking on behalf of Her Majesty's Government, completely confirmed the decisions of Lord Canning, Sir John Lawrence, and Lord Halifax, that the adopted son had no right to succeed, but as a matter of policy he announced that Lord Derby's Government had determined that, on the death of the Maharaja, the State of Mysore should not be annexed, and he promised to lay the Despatch containing these important views before the House.

But the objections to this course are, that not only had no Despatch on the subject been written or proposed, but the subject itself had never been even mentioned in Council, or, I believe, to any one Member of Council, and Lord Cranborne actually left office, some days subsequently to his speech, without having prepared a Despatch.

The Secretary of State for India is invested by law with very great powers, and powers which, judging by the little notice taken by Parliament of Indian affairs, are for the most part irresponsible. But the law has imposed on the Secretary of State the duty of hearing, before he decides, those Councillors whom Parliament has taken all the means in its power to provide shall be thoroughly independent, trustworthy, and experienced advisers.

The Council of India have no claim to make on any question that arises, except to be heard, but when a new question arises, such as the expediency of re-establishing a native State in Mysore by the free gift of Her Majesty, a question which had never once been mooted in Council, the Council are bound to complain that the law and the constitutional checks interposed by Parliament have been overlooked.

Lord Cranborne, indeed, was so fully impressed with this view of the question, that he frankly avowed his inadvertence in the matter.

But the present Despatch is subject to the same remarks. Lord Cranborne had sent to his successor the sketch of a Despatch which carried out the views he had stated in Parliament, and the present Secretary of State intimated to the Council that he felt himself bound, as a member of Lord Derby's Government, to carry out the main policy indicated by Lord Cranborne, whatever the views of the Council might be.

The decision of the present Secretary of State, like that of his predecessor, therefore, has been formed before he has heard the views of his Council.

The result is that, on a most important question of Indian Government, the policy laid down by Lord Canning, Lord Elgin, and Sir John Lawrence is summarily overruled.

But surely these rapid, and I must call them arbitrary, reversals of previous decisions and established policy of the authorities of India by successive Secretaries of State are very subversive of good government, and of the maintenance of stable and effective rule: and I cannot help thinking that, however popular in the public eye the determination not to annex Mysore may be, however politic the views of Lord Cranborne as to the employment of natives in high places undoubtedly are, if the opinions of Council had been fully taken on this subject before the decision of Her Majesty's Government had been announced to the public, it would have fully appeared that the interests of the people of India would have been best promoted, and the special claims of natives of rank and education to a share in the Government of their country would have been much sooner realized, by the continuance of British Government in that province, which has attained, under its rule, a state of prosperity unexampled at any former period of history.

E. Perry.

15 April 1867.

I CONCUR with Sir Erskine Perry.

I desire to add, that it appears to me that the impolicy of re-establishing a native Government in Mysore is much aggravated by the circumstance that, of late years, Englishmen in considerable numbers have been permitted, if not encouraged, to settle in that territory as coffee planters. It may be regarded as
certainty

a certainty that, during the long minority of the adopted son, this class will be materially increased. No native Government, such as India has ever yet seen, would be able to deal equably and consistently with such a body of men. The Englishmen would take their stand, with characteristic strength of will, upon their rights, as recognised or assumed under the British protectorate. Their treatment by the Maharajah, or rather by his ministers or servants, would oscillate, according to the caprice of the hour, between undue favour, involving wrong to the native population, and high-handed justice. On any occasion of extreme excitement, such as that engendered by the differences between the indigo planters and the ryots in Bengal, the Government would be utterly unable to control the English planters, otherwise than by acts of despotic violence, which would as certainly provoke equally violent resistance. And it is hardly too much to say, that if, in the course of a few years, any large addition should be made, as is highly probable, to the number of such settlers in Mysore, nothing but the constantly recurring interposition of the British Government would prevent them from making themselves practically masters of the country, either with the consent of the Rajah, through the instrumentality of loans of money, or in supercession of his authority, by the abuse of their superior intelligence and energies. The same qualities which have won for our nation the empire of India, would make our countrymen, if let alone, the virtual masters of Mysore. And incessant interference on the part of the British Government, to obviate such a result, would reduce the Rajah to the condition of the merest cypher, the sport of opposing forces.

In fine, I am convinced that it would be impossible to set up a native ruler in Mysore capable of standing alone. Whatever they may think or fancy now, the great body of the people, after they had tried it, would like such a Government as little as the British settlers. It was one thing to transfer them, as Lord Wellesley did, from the ruthless despotism of Hyder Ali and Tippoo Sultan, to what they might well expect would be the milder sway of a Hindoo Rajah; they will find it to be quite another thing to be handed over by Her Majesty's present Government to the capricious domination of such another Prince, with the inevitable concomitants of hungry courtiers, and a rabble of hangers-on, after they and their fathers had tasted for nearly half a century the unspeakable blessings of wise and fixed principles of law, and a just system of revenue, administered by such men as Cubbon, Bowring, and Charles Saunders.

It is clear to me, indeed, that for the sake of maintaining an obligation to the present Maharajah, so far from clear and unquestionable, that statesmen of the highest eminence have successively denied its validity, the real and permanent interests of the millions of Mysore are about to be lamentably sacrificed. And it may be reckoned on as certain, that the seed sown by this retrograde movement will bear a full crop of evil, in the shape of the resuscitation of claims long since disposed of and almost forgotten.

R. D. Mangles.

India Office,
24 April 1867.

DISSENT by Mr. *Mills.*

I CONCUR, generally, in the dissents of Sir E. Perry and Mr. Prinsep.

I object to the manner in which Lord Cranborne brought forward the Mysore question, particularly in not stating to the Cabinet, or the House of Commons, that he had not communicated with his Council on the subject. Lord Cranborne has since handsomely expressed to his Council his regret at the omission, but it is desirable that the facts should be recorded.

The sending out the Despatch on the absolute authority of the Secretary of State, in opposition to the vote of a large majority of his Council, to the repeatedly declared opinions of successive Governors General, as well as of the Home authorities, is, however popular, a very strong measure, on a very brief tenure of office.

27 April 1867.

(signed) *Charles Mills.*

DISSENT by Sir James Hogg.

I WISH to state my reasons for dissenting from the Despatch relating to Mysore passed by the Secretary of State on the 12th April, overruling his Council, the division being 10 to 4. The Despatch is in reply to one from the Government of India, transmitting a khureeta from the Maharajah to Her Majesty, and was submitted to the Council under very unusual circumstances. The Despatch from the Government of India is dated 31st October 1866, and reached Lord Cranborne, then Secretary of State, on the 5th December. The subject was never mentioned by his Lordship to the Council, nor were they aware that he had formed his opinion till they saw in the public papers his reply to a question from Sir Henry Rawlinson, inquiring whether the Government had come to any decision on the recent appeal of the Maharajah of Mysore with regard to the succession of his adopted son. Lord Cranborne, in his reply, made a full statement of the policy of Her Majesty's Government, with a brief, but very lucid argument supporting it, adding, that the Despatch in answer to the application of the Maharajah would be laid on the table of the House. As the statement was made without any previous communication with his Council, it appears to me that he contravened the spirit, if not the letter of the Act "for the better government of India," 16 & 17 Vict. c. 95, for the purposes of which Act the Council was established.

As a member of the Council of India, I think it my duty to notice this irregularity, and I do so with great reluctance, because from the great courtesy and consideration which the Council, collectively and individually, always experienced from Lord Cranborne, I feel assured that it must have arisen from inadvertence. The khureeta of the Rajah requests that he should be reinstated in the Government of Mysore. But the prominent and important points are, the assertion of his hereditary right to the sovereignty of Mysore under the Partition Treaty, and that both by birth and gift he had a right to adopt a successor to the Raj.

As far as repeated decisions by competent authorities can decide any question, it has been decided that the Rajah had no right or title, except under the Partition Treaty; that the treaty was personal and terminated with his life; and that he could not, by adoption, transmit what he did not possess. It has been so decided by Lord Canning, Lord Elgin, Sir John Lawrence, and all the members of their respective Councils. That decision has been confirmed by Despatches from Lord Halifax, agreed to by his Council, with the exception of a small minority. I note in the margin* the Despatches from the Secretary of State, confirming the decisions of the local governments. It would be idle to enter again on the grounds of them. For my argument, it is sufficient to state them. To the decisions to which I have referred I have now to add the authority of Her Majesty's present Government, as declared by Lord Cranborne in the House of Commons on the 23rd February. In a clear, condensed argument he showed that the treaty was personal, and terminated with the life of the Rajah, and that, as his lineal son would have no right to inherit, the adopted son could have no claim. Towards the close of his argument, he said, as reported in the "Times," "I must therefore express most emphatically the opinion of Her Majesty's Government, that the rights conferred upon the Maharajah of Mysore by the Partition Treaty terminated with his life;" and if Lord Cranborne had continued in office, I assume that he would have felt himself bound to make his Despatch, in substance, identical with his statement. The purport of that speech was flashed instantly to India, and the speech itself has, before this time, been translated and disseminated throughout the country. When expecting to receive a Despatch in accordance with the views of that speech, the Government and public there will receive the recent Despatch with as much surprise as the Council did. I fear that the feeling of the Governor General will not be limited to surprise. During the last seven years we have had five Secretaries of State, and it is not improbable that, before the death of the Maharajah we may have another. Will he, I would ask, be at liberty to repudiate the policy of his immediate predecessor? Change begets change, and such changes of policy are fatal to good government in India. I dissent from the present Despatch, because it does not even advert to the construction of the treaty, or the right to adopt to the Raj, which are the main questions raised in the khureeta of the Maharajah, or to the decisions on

* 17th July 1863,
30th July 1864,
17th July 1865,
in papers laid before Parliament
19th March 1866.

the subject, and I am of opinion that the basis of any orders issued by the Government ought to be clearly stated. Besides, I think the Maharajah has a right to receive some reply to the chief points in his khureeta. I also think that the Governor General has a right to learn from the Secretary of State, explicitly, whether the decisions appealed against have his approval. I object still more to the Despatch, because, while it evades any expression of opinion as to the construction of the treaty, it practically reverses all the decisions on the subject.

The entire silence as to these decisions, and the ignoring all that Lord Cranborne said in Parliament, can only be explained by the Secretary of State entertaining a contrary opinion. It was so regarded and argued in Council, and the Despatch has no support, except from the four Members of Council who have always contended for the heritable right of the Rajah under the treaty. Accordingly, the orders issued by the Despatch, and the terms used, concede the rights contended for by the Maharajah in his khureeta; the Despatch directs, that after the death of the Rajah his family shall be maintained on the throne of Mysore, in the person of his Highness's adopted son; that the territory shall continue to be governed in his name upon the same principles as at present, and it recognises the continuance of the treaty by directing that it may be revised. I believe that, upon the right construction of the treaty, the Government of India would, upon the death of the Maharajah, be free and unfettered, and that it would be open to them to suggest the arrangements they may think best calculated to promote the prosperity of Mysore and the happiness of the people. I cannot, then, consent to hand over to native rule a country that has been administered by English officers for 35 years, during which period its material and moral progress has been almost unexampled, and where British interests have grown up on the faith of the continuance of British rule. To maintain an ancient native dynasty, where the feelings, associations, and traditions of the people bind them to the system and the ruler, is both just and politic; but gratuitously to substitute native rule, in place of British, over a country that has been so long and so successfully administered by English officers, seems to me equally unjust and impolitic, and I feel it my duty to protest against such a course.

(signed) J. W. Hogg.

26 April 1867.

DISSENT by Mr. *Macnaghten*, concurred in by General *Baker*, Mr. *Arbuthnot*, Sir *Proby Cautley*, and Sir *Robert Vivian*.

I DISSENT from the Despatch, dated 16th April 1867 (No. 69), in the Political Department, because it repudiates and ignores all that has hitherto taken place on this most important subject; because it is totally at variance with the conclusions we have led the Government of India and the people of Mysore to expect; and because there is no attempt made to reconcile or reduce the difference between former decisions of the Home Government and the decision of the present Secretary of State.

It appears to me that the Despatch can be justified or defended only by the supposition that the rights conferred upon the Maharajah of Mysore do *not* terminate with his life. Now this view of the case is at variance with the deliberate and well-considered opinions of Lords Dalhousie, Canning, and Elgin, and of the present Governor General, Sir John Lawrence, and, as I believe, of all and each of the several Secretaries of State for India, including Lord Cranborne. The Despatch *now* decides "to maintain the Maharajah's family on the throne in the person of His Highness's adopted son," &c.; and I do not attach any value or importance to the "stipulations" referred to in its fifth paragraph.

I feel convinced that the majority of the Council, under the peculiar circumstances and difficulty of the case, would, at the proper season, have been prepared to make a liberal provision for the adopted son of the Maharajah; but they would have wished the circumstances and extent of such provision to have been left to the discretion of the Government of the day when the boy might attain his majority; and further, in the words of Lord Cranborne, as spoken in the House of Commons, they would have desired, "by no word or action to

fetter that discretion, or to bind beforehand the judgment of those who will have before them the facts that we have not now, and who will therefore be better able to decide than we are."

E. Macnaghten.

29 April 1867.

I concur.

W. E. Baker.

W. U. Arbuthnot.

Proby T. Cautley.

R. J. Vivian.

OPINION recorded by Sir *F. Currie.*

As I understand that several Dissents from the Despatch of the Secretary of State in Council, relative to Mysore, dated 16th instant, have been recorded, I think it right to place on record my reasons for having concurred in the said Despatch.

The Despatch forbids the annexation of the Mysore Province to the British territories, on the death of the present Maharaja; and directs its restoration to the Maharaja's adopted son, under certain prescribed conditions on his Highness attaining his majority. This is the only measure which, in my opinion, could be pursued consistently with sound policy, justice, and the maintenance of the faith of treaties.

I have heard three several interpretations given to the Partition Treaty of Mysore :

1st. That it is a dynastic treaty, conveying the right of perpetual sovereignty to the Maharaja and his lawful successors.

2nd. That the treaty is one of perpetual obligation, as far as the British Government and the Nizam are concerned, in respect to the establishment of a "separate government in Mysore," but personal, as regards the individual placed on the throne, in accordance with its provisions.

3rd. That it is altogether a personal treaty, in respect to the establishment of a separate government in Mysore, and to the Maharaja; that it was intended merely to convey a life-grant to the Maharaja, of the territories described in it, and that at the death of the Maharaja the province will revert to its original status (whatever that may have been), and may be annexed to the British territories.

I am convinced that the first is the only tenable interpretation. The Despatch of Sir Stafford Northcote is, I consider, in accordance with that view of the treaty, and therefore I have supported it.

Several of my reasons for holding this opinion I have already stated in my Dissent, dated 28th July 1865, which was referred to by Lord Cranborne in his address to the House of Commons, as reported in the "Times" of 23rd February, and those reasons were declared invalid in the opinion of his Lordship. Lord Cranborne attached much significance to the different language used in the clauses in which the allies *cede* the territories to the Maharaja, from that used in the articles in which they appropriate certain specified territories themselves, and his Lordship seemed to consider that difference as establishing the personal character of the cession to the Maharaja. I submit that if Articles IV. and V. of the Partition Treaty convey only a life grant of the territories described in Schedule C. to the Maharaja of Mysore, Article VII., which is similar in its terms, would have conveyed only a life grant of the territories named in Schedule D. to the Peishwa, a proposition which I think no one will be disposed to entertain. With reference to another argument used by Lord Cranborne, in refutation of my view, I would remark that we found the Rajas of Mysore governing their own territories when we first arrived in India, that they were the sovereigns of that country long before our time, and that Lord Wellesley describes the measure carried out by this treaty as "the restoration of the *representative* of the ancient *family* of the Rajas of Mysore,"* while the Duke of Wellington, then the Honourable Colonel Wellesley, one of the Mysore Commissioners who negotiated this treaty, under the instructions of Lord Wellesley, characterises

* Letter of Lord Mornington to Mysore Commissioners, January 19th, 1799.

characterises the arrangement as "the restoration of the Hindoo *dynasty*, dethroned by Hyder Ali, to a sovereignty exceeding in revenue that possessed by their ancestors before the Mahommedan usurpation."*

I am satisfied that it may be proved to demonstration that the Marquis Wellesley did not consider the cession to the Maharaja in the light of a mere life-grant. He would not, in such a case, have directed the instalment of the young Maharaja on the "ivory throne of his ancestors" by the representatives of the British and Nizam's Governments, with the pomp and ceremony with which the inauguration is described.† He never could have characterised in the glowing terms which we find pervading his Despatches and correspondence, the policy of placing a boy, who had never been heard of, who was found in a house "dying of ill usage," and whose life was most precarious, nominally in the sovereignty of a territory which was to be appropriated by the British Government at his death. His Lordship styles his measure "an arrangement founded on the strongest principles of justice, humanity, and policy," and again, "an adjustment so honourable to the moderation, generosity, and wisdom of the British character."‡ Surely the application of such language to such a measure would have been (which nothing that ever emanated from the Marquis Wellesley could be) simply ridiculous.

Lord Wellesley and the Nizam, in the 8th article of the Treaty, recognise the right of the Maharaja of Mysore to negotiate interchange of territory with the Nizam or British Government, on terms of equality. Is this consistent with the notion of a life grant? And four years after the execution of the Partition and Subsidiary Treaties, when the rectification of territory between the British and Mysore Governments was considered desirable, the Marquis Wellesley made a treaty with the Maharaja, for the mutual interchange, by cession, of certain districts. The Maharaja, by that treaty (dated 29th December 1803), ceded six districts (described in Schedule A.) to the British Government. These six districts have been annexed to the British territories ever since, and are held by us to this day, in perpetual sovereignty, our sole title to them being that they were ceded to us by the Maharaja of Mysore. Is this transaction consistent with the notion of the Maharaja holding merely a life grant of these districts from the Allies?

So much for the light in which the Marquis Wellesley considered the treaty. In what light have Lord Wellesley's successors in the Government of India, the Board of Control and the Court of Directors, considered the cession to the Maharaja? Not many Governors General have had to examine into the question, but about the opinion of those who have done so there would appear to be no doubt. Lord W. Bentinck, after the assumption of the administration of the Province in 1831, considering it, for the reasons stated at the time, and which need not now be dwelt on, desirable that another arrangement for Mysore should be established, negotiated a treaty with the Maharaja, the basis of which was, that his Highness should "cede to the British Government in perpetual sovereignty," a considerable portion of the Mysore Province, on the condition of his being henceforth relieved from the burden of the subsidy, and of his being at once fully installed in the government and administration of the remainder; the restrictions imposed on him by the Subsidiary Treaty being withdrawn. This Treaty was formally negotiated and agreed upon by the Government of India and the Maharaja, subject to the approval of the Court of Directors. The Treaty when sent home was fully considered by the Court of Directors and the Board of Control, between whom much discussion appears, from the records which I have examined, to have taken place before Lord W. Bentinck's Despatch was replied to. In none of these discussions was it ever suggested, by any party, that it was "ultra vires" of the Maharaja to make a cession of his territories in perpetuity. The proposal was considered and discussed on its merits, and the measure was disapproved by the Home Government, for the reasons given, viz., that the territory proposed to be ceded was not of the value to the British Government which Lord W. Bentinck attached to it, and that the administration of the whole Province having been assumed for a specific purpose, until that purpose was effected, it would not be right to replace any portion of the Principality under the uncontrolled management of the Raja.§ The power of the Raja to make the cession was unquestioned, indeed, virtually admitted. Surely this admission by the Board of Control, the Court of Directors, and the Government of India of the Raja's power

* "Supplementary Despatches of Field Marshal the Duke of Wellington," vol. i., p. 229.

† Letter from Mysore Commissioners to Governor General, of 30th June 1799.

‡ Despatches of Marquis Wellesley, vol. ii., p. 62.

§ Despatch from Home Government, of 25th September 1835. No. 45.

power to *cede* a moiety of his territories *in perpetuity* is altogether inconsistent with the notion of the Raja being a *life grantee*.

Lord Canning, I must maintain, notwithstanding what Lord Cranborne said in the House of Commons, if his opinion is to be learnt from his recorded statement, certainly considered that the Maharaja's was not a life tenure, but that he had the full power of adopting a successor, if he pleased. On the 30th March 1860, his Lordship wrote to the Secretary of State in Council, in forwarding the protest of the Maharajah against the transfer of the superintendence of the administration of Mysore from the Government of India to that of Madras, as follows:

"As bearing upon the price which we shall pay for forcing this measure upon Mysore, I invite your attention to the following facts:

"The Rajah of Mysore is an old man, past 60, and of a family notoriously short-lived. He has no son, and has adopted no heir. It has been supposed that he will bequeath his kingdom to the British Government. I say supposed, because there is no formal or official evidence of his purpose; but I know for certain that such was his intention, because, early in 1858, and while Upper India was still in full rebellion, the Rajah seized an opportunity of conveying to myself, through an entirely private channel, not only the strongest protestations of his loyalty, gratitude, and devotion to the Government, but a distinct and earnest declaration, more than once repeated, of his wish that everything that he possessed should, at his death, pass into its hands. I beg you to compare this declaration with the passage in his letter now enclosed, in which the Rajah expresses grave fears that the measure announced from England will interfere with the claims which he and his heirs have for the restoration of the Government of his country.

"It may be very little desirable that more provinces should be added to those which are already under the absolute rule of the Queen in India, but the case of Mysore, lying in the midst of the Madras Presidency, and already bound to us in a way which is not convenient or satisfactory, is quite exceptional, and the bequest of that country, in full sovereignty to the Crown, by the free will of its ruler, and in a spirit of loyal attachment to the British power, is a consummation which, in the interests of all concerned, no one would wish to see defeated."

Is such a "*bequest*" consistent with the notion of the Raja being merely a life grantee?

The second interpretation, noticed above, viz., that the Treaty is binding on the contracting parties in perpetuity, as to maintaining a separate Government in Mysore, but was personal to the Maharaja named in it, is, I admit intelligible, though for the reasons I have given above, I think it untenable and inconsistent with the subsequent acts of Lord Wellesley, his successors, and the Home Government.

I am disposed to think that this is the interpretation which Lord Cranborne attaches to the Treaty, though I am not certain: there is nothing in the statement made by his Lordship in the House of Commons inconsistent with this view of its clauses. His Lordship stated that Her Majesty's Government had no intention to annex the territories of Mysore to the British Provinces on the death of the Maharaja, but would continue to hold the administration of them in the name of his adopted son, who would, on coming of age, be placed in the Government of the whole or a portion of the territories, under the condition and circumstances stated; not as a matter of right but as an act of favour, inasmuch as, in his Lordship's opinion, the title of the Maharaja himself, under the Treaty, does not include the right of succession to his heirs. His Lordship did not state that he considered the British Government and the Nizam as absolved, on the death of the Maharaja, from the obligation of maintaining "*a separate Government*" of Mysore, in accordance with the terms of the Treaty. Sir Stafford Northcote's Despatch is quite consistent with either the first, or second, of these interpretations of the Treaty.

If I considered that, in accordance with law, justice, equity, and the honest maintenance of the faith of treaty engagements, the State of Mysore would become the rightful property of the British Government on the death of the Maharaja, I should be the last to advocate the, *de novo*, establishment of a native Government in that province, in which the people have been for five-and-thirty years under British administration, and for the possession of which, as a British province, there are many most cogent reasons. I think such a policy would be

more

more than questionable, independently of the value of the province to us from its geographical position, and other causes. Our conduct might be liable to be misunderstood by the native chiefs generally, and might lead to embarrassing expectations and claims from those whose territories have of late years been annexed. I have, on former occasions, stated that I was fully impressed with the value to us of the Province of Mysore, but I have said that, if we could not acquire it without the breach of solemn engagements, and the violation of law, equity, and honour, we should be better without it.

The third interpretation of the Partition Treaty I consider, as I have stated in my dissents from Sir C. Wood's Despatches, utterly untenable; to me, it is unintelligible. The Rajah, it is argued, was no party to it. I cannot comprehend how that fact involves the expiry of its obligations on the contracting parties with his death. It has been argued, also (and the sentiment has, I see, been adopted by the Government of India), regarding the solemn terms in which the obligations of the Treaty are recorded, viz., "The under-mentioned Articles, by the blessing of God, shall be binding on the heirs and successors of the contracting parties, as long as the sun and moon shall endure," though the parties on one side are Christian Commissioners on behalf of the British Government, inasmuch as the parties on the other side are a Mahomedan Commissioner and a native Government, these terms are, on that account, to be considered as in no way denoting a perpetual arrangement; from any such doctrine I must repeat my emphatic dissent.

The Despatch of Sir Stafford Northcote gives no countenance to this last interpretation of the Treaty, and, therefore, as it is, in my opinion, the exposition of a policy just and honourable in itself, and one that will be appreciated as such by the chiefs and princes of India, it has my cordial concurrence.

(signed) *F. Currie.*

20 April 1867.

EAST INDIA (MYSORE).

COPY of the MINUTES of the Members of the Council of *India*, and of other PAPERS or PROCEEDINGS relative to the DESPATCH conveying the INSTRUCTIONS of the Secretary of State for *India* to the Governor General of *India*, respecting the CLAIMS of the Maharajah, of *Mysore*.

(*Lord William Hay.*)

Ordered by The House of Commons, to be Printed,
7 May 1867.

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EAST INDIA (NATIVE TROOPS).

RETURN to an Address of the Honourable The House of Commons,
dated 1 April 1867;—for,

“COPY of MINUTES by the Most Noble the Marquis of *Tweeddale*, K.T.,
Governor and Commander in Chief of *Madras*, of the 6th day of March 1845,
and of the 28th day of March 1845, upon the System under which NATIVE
TROOPS of that Presidency are employed on FOREIGN SERVICE.”

Military Department, India Office, }
April 1867.

T. T. PEARS, Major General,
Military Secretary.

MINUTE by the Most Noble the Marquis of *Tweeddale*, dated 6 March 1845.

It appears to me that the most satisfactory course which I can take in offering my opinions upon the several points required to be noticed in the letter from the Government of India, will be, in the first place, to submit a brief account of the various occasions on which the Madras sepoys have been employed on foreign service, from which I shall be enabled, I think, to show that I advance nothing but upon the ground of actual facts, and the continued experience of a long course of years.

2. The earliest instance of the employment of the sepoys of this Presidency on foreign service appears to be that of the expedition to Bengal, under Clive. There are, however, no records forthcoming from which any information can be obtained as to the terms upon which the sepoys were engaged to proceed, nor were the sepoys at that time serving under any regular system of organization.

1756.

3. In 1762 there appears an order* intimating that the Government of Madras had stipulated to furnish the Crown with 2,000 men for the expedition to Manilla, under Colonel Draper. Troops of all arms, sepoys included, are noticed in various orders as forming part of this number, but no particulars are given as to the terms, further than that the whole, both officers and men, European and Native, appear to have been called for as volunteers.

4. In 1779 the Government announce that sepoys are required for the service at Bencoolen, and a bounty of 40 rupees is offered to each man willing to serve there for the term of three years.

G. O. G.
5 October 1779.

5. The first distinct mention of the subject, however, occurs in 1794, when

G. O. G.
29 April 1794.

* G. O., 20th July 1762.

EXTRACT from General Orders, dated 20th July 1762.

“The Major of Brigade to bring a return to the Adjutant General of the number of sepoys already entered for the expedition, specifying likewise the number of disciplined or new sepoys. The quantity which the Company has stipulated to furnish His Majesty, which is to consist of 2,000; the return of the pioneers and two foreign companies of Meyer and Faizaw’s to be also produced. A return of West Irregulars to be made as soon as possible.”

sepoys were required for the expedition to Amboyna. On that occasion the Government called for their services in the following terms:—

Fort St. George, 29 April 1794.—General Order by Government.

A detachment, equal to two complete companies in the several ranks, to be formed forthwith from each of the following corps, to move from the different stations as shall hereafter be directed:—

SOUTHERN DIVISION.

1st Native battalion, two companies, or non-commissioned rank and file	-	-	-	-	-	-	-	156
2nd - ditto	-	-	ditto	-	-	ditto	-	156
5th - ditto	-	-	ditto	-	-	ditto	-	156
9th - ditto	-	-	ditto	-	-	ditto	-	156
13th - ditto	-	-	ditto	-	-	ditto	-	156
21st - ditto	-	-	ditto	-	-	ditto	-	156
24th - ditto	-	-	ditto	-	-	ditto	-	156
31st - ditto	-	-	ditto	-	-	ditto	-	156

TOTAL Native Non-commissioned Rank and File - - 1,248

CENTRE DIVISION.

3rd Native battalion -	-	-	-	-	-	-	-	156
6th - ditto	-	-	-	-	-	-	-	156
10th - ditto	-	-	-	-	-	-	-	156
16th - ditto	-	-	-	-	-	-	-	156
19th - ditto	-	-	-	-	-	-	-	156
20th - ditto	-	-	-	-	-	-	-	156

TOTAL Native Non-commissioned Rank and File - - 936

NORTHERN DIVISION.

11th Native battalion -	-	-	-	-	-	-	-	156
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GRAND TOTAL Native Non-commissioned Rank and File - - 2,340

These details, when assembled, to be formed into three temporary battalions of ten companies each, and be brigaded.

G. O. C. C.
30 April 1794.

6. These instructions from the Government were promulgated to the army by the Commander in Chief in the following order:—

“General Order by Colonel *Brathwaite*.

Head Quarters, Choultey Plain,
30 April 1794.

“THE particular mode of forming the Native detachments, required by the orders of Government of the 29th instant, is left to the heads of corps.

“The Commander of the Army is confident that no consideration will be allowed to operate in hindrance of that selection of men which the present occasion requires, and is so consistent with the credit of corps. He takes it for granted that a preference will be given to volunteers, and desire that it may be explained to the several detachments that they are to have the honour of being employed on foreign service. He recommends that the minutest attention be given to provide for the subsistence and comfort of the families left with each corps during the absence of the troops.”

G. O. C. C.
16 September 1794.

7. More men than were required immediately volunteered, and the Commander in Chief, with the view, as it is stated, “to reward, so far as present circumstances will permit, the merit of those Native commissioned and non-commissioned officers who so gallantly offered themselves as volunteers for foreign service,” ordered them to be removed, with one step of rank each, into certain new corps which were then being raised.

8. The battalions thus formed were afterwards reinforced by a draft from the

11th battalion, which was called for in the following letter from the Adjutant General:— Colonel Barry Close.

EXTRACT from a Letter from the Adjutant General of the Army to Major *MacNeile*,
dated 21 June 1796. 21 June 1796.

“GOVERNMENT having come to the resolution of reinforcing the troops now serving to the eastward at Amboyna and Banda, under the General Orders of Admiral Rainier and the immediate command of Major Vigon, and also to place you in the command of such reinforcement, which must sail from the coast in seven or eight days, and is to consist of at least a subaltern’s party of artillery, two companies of European infantry, and about four of Native infantry. I have the honour to signify the Commander in Chief’s desire that you will accordingly hold yourself in readiness to proceed on such service, as soon as you receive orders for the purpose from Government. The party of Native infantry for detachment is to consist of four companies, each complete to the fixed establishment of 68 privates, &c., and two European subalterns. This detail, it is the wish of the Government, should be furnished from the 11th battalion, and as the whole corps is not called for, that the party for detachment should be composed of volunteers.”

9. This call was instantly responded to, many more than the required number immediately coming forward for the service. From the wording of the Adjutant General’s letter it may be inferred that the whole battalion would have been called upon had not a detachment only been sufficient.

10. Nothing is stated in the correspondence of the terms of service.

11. In a letter from the Adjutant General, the conduct of the troops thus employed is subsequently noticed in the following favourable terms:—

“The General has desired me to signify the satisfaction he has experienced in perusing the desirable accounts you have given of the corps under your command since its departure from the coast, and the cheerfulness with which the men have proceeded on every service that has occurred for them in the distant quarter in which they are employed.”

19 July 1796.
Colonel Barry Close,
A. G.

12. Subsequently to the capture of the Dutch Settlements, the troops continued in garrison at Malacca, Amboyna, and Banda, with only partial relief until 1801, when a volunteer corps was formed from six different battalions, which were permitted to volunteer for the Madras Volunteer Battalion.

13. On this last occasion the tour of service was specified to be for three years, and promotion to all grades held out a sure inducement.

14. Not long after the formation of the expedition to Amboyna, several entire battalions proceeded on foreign service to Ceylon, where they subsequently continued in the performance of garrison duty at Colombo, Jaffuspatam, and Trincomallee; the 1st and 9th until the middle of 1797, and the 7th until May 1802.

1794-95.
Among those present :
1st Regiment, Native Infantry.
7th - ditto - - - ditto.
9th - ditto - - - ditto.

15. In 1795 the Native troops on foreign service were authorised to grant family certificates for such portion of their pay as they might think proper, which the Government promised should be paid at whatever stations the families might find most convenient.

G. O. G.
7 July 1795.

16. Shortly after an order was issued promising rations while on board ship of rice, dhall, ghee, curry stuff, salt fish, betel, and tobacco, and to be continued on shore as long as the nature of the service might require.

G. O. C. C.
15 July 1795.

17. The expedition to the Moluccas and Ceylon were followed in 1797 by the embarkation of a portion of the 3rd and 5th Native Infantry, together with the 33rd and 34th Battalions of Native Infantry, and a detachment of volunteers from the 1st, 2nd, 3rd, and 4th Native Cavalry, upon an intended expedition to Manilla. These proceeded as far as Penang, whence they returned, the expedition having been abandoned. Honorary badges were afterwards granted to all the Native ranks.

1797.
Now the 23rd L. I.
24th Native In-
fantry.

18. Additional advantages are noticed as having been attached to foreign service during this year.

1797.

The Governor in Council, after noticing “the unexampled alacrity and spirit with which the Coast Native troops have embarked for foreign service, during

G. O. G.
19 March 1797.

the war," states that he is "naturally led to consider every means of preserving that spirit, and of rewarding that zeal," and he announces "a donation of three months' family money to the heirs of all sepoys who may be killed or die on service to the eastward."

A donation of two months' family allowance to heirs of all sepoys who may be killed or die on Ceylon.

"Ten supernumerary boys to be allowed to each battalion, to be chosen exclusively from the near relatives of those who may have died on the service."

G. O. G.
12 August 1797.

G. O. G.
15 August 1797.

19. By further orders subsequently issued, each sepoy was to have a cumly and one month's advance of pay.

Families were to be allowed, whenever they might desire it, rice, equal to the amount of their family certificates.

Each battalion was allowed to take with it 50 boys.

The Government promised that the troops should be brought back to the coast as soon after the war as circumstances might permit.

1800.

20. In 1800 a small detail, consisting of 25 of all ranks of the Body Guard, with 40 or 50 Bombay Infantry, proceeded to Persia as an escort to the British Envoy. They are stated by Subadar Major Sher Alibeg, my Native aide-de-camp, who was one of the party, to have been allowed double pay.

1808.

21. In 1808 a detachment of Cavalry, Artillery, Horse Artillery, and Pioneers, composed of volunteers from different regiments, embarked for service in Persia. On this occasion the 2nd Battalion 15th Regiment Native Infantry, 2nd Battalion 18th Regiment, and 2nd Battalion 25th Regiment, then stationed together at Wallajahbad, all volunteered to a man of their own accord, under the impression that infantry also would be sent.

22. This detachment, as originally formed, consisted of about 1,000 of all ranks. It embarked at Mangalore, and disembarked at Bombay, where it remained encamped for five months, when the troops were ordered back, and only a small detail actually proceeded to Persia.

A donation of a month's batta was granted to the men on their return, and honorary badges, "as a mark of distinction, and as a proof of the sense entertained by Government of their attachment to the service, and of their meritorious conduct while absent from their own establishment."

23. Those employed on this occasion in Persia appear to have received additional pay, termed "Persian Allowance," at the rate of eight reals for a sepoy, equivalent to about seven rupees.

1810.

24. In 1810, it being in contemplation to employ a portion of the Native troops of this army in Java, volunteers were called for, under orders from the Governor General, from seven different battalions to form a volunteer corps, "to be employed upon an expedition to the eastward."

25. On this occasion distinct inducements were held out to all ranks.

Subadars were to be advanced one class.

Jemadars to be promoted to subadars.

Havildars to jemadars.

Naigues to havildars.

A proportion of sepoys to naigues.

The corps not to be kept on the service longer than three years, when it was to be either relieved or recalled.

On their return to be allowed to join any corps they liked.

To be allowed full batta and rations.

To receive bounty clothing, viz. :—

1 Great coat.

1 Trowsers.

2 Flannel banyans.

2 Flannel long drawers.

2 Socks.

Advance of two months' pay in addition to pay of current month.

Family certificates to be issued, with promise of regular payment between 1st and 6th of every month.

Full amount of family certificates to be continued to heirs of all casualties until return of corps.

Families of all men dying or killed to be pensioned on half-pay.

No fewer than 7,000 men immediately volunteered.

26. The troops were not, however, required; but the battalion of volunteers, which continued embodied, and eventually became the Madras Rifle Corps, subsequently formed a part of the expedition to the French Islands.

27. Shortly afterwards occurred the expedition to the French Islands, on which were employed details of 1810.

3rd and 6th Cavalry.

6th Battalion Native Infantry.

2nd Battalion 12th Native Infantry.

Volunteer Corps (as above).

2nd Battalion Pioneers.

Detail 1st Battalion Pioneers.

28. In warning these corps for the service, the Adjutant General* directed it to be intimated that it was "the intention of Government to employ the battalion on an expedition." Commanding officers were directed to "adopt immediate measures to ascertain if all were disposed to accept the preference which the Commander in Chief had given them of being employed on foreign service," and the men were "in the first place to be informed that, in the event of any individuals being indisposed towards the *nature* of the service, they would be drafted into other corps, and that no disapprobation would attach to them for such choice, but that their places would be supplied by volunteers from other corps."

The same indulgences were promised as before offered to the volunteers, excepting that the bounty clothing was limited to one great coat and one pair of trowsers.

29. In 1818 the 1st Battalion 15th and 2nd Battalion 18th Regiments were ordered to Ceylon. No mention was made in the Adjutant General's letter of volunteering. It was merely intimated to the corps that they were "to be employed on field service in Ceylon;" that they were to receive bounty clothing, and issue family certificates; and that "all the liberal consideration that had ever been shown to the Native troops, when similarly employed, would be extended to them and their families."

These corps remained in Ceylon in garrison, in different stations, during 1818 and part of 1819.

30. In 1824, five battalions were simultaneously warned for the expedition to Ava. Commanding officers were directed to hold their battalions in readiness to embark at the shortest notice for foreign service, intimating to the Native commissioned officers, non-commissioned officers, rank and file, that any individuals unwilling, from prejudices of caste, family connections, or other good cause, to follow their colours, would be drafted into other corps, and that their places would be supplied by volunteers. They were promised that "every attention should be paid to their comfort," and that "all the liberal considerations which had been usually shown to the Native troops, when employed on foreign service, should be extended to them and their families."

1818-19.
Now the 29th Regiment.
36th Regiment.

1824:	
1st Battalion.	3rd Native Infantry.
2nd - ditto -	8th - ditto.
1st - ditto -	9th - ditto.
2nd - ditto -	10th - ditto.
2nd - ditto -	17th - ditto.

31. These "liberal considerations," as specified in other orders, were the same as those allowed to the troops on the expedition to the French Islands; and Sir Thomas Munro shortly afterwards† considered it necessary to extend the grant of pension to heirs to cases of death after return to India from wounds, or disease contracted on foreign service.

32. Twelve more battalions successively followed on the same service, and all on the same terms.

In May 1824, the 7th and 43rd.

In June 1824, the 10th and 16th.

In August 1824, the 28th.

In September 1824, the 26th and 30th.

In February 1825, the 22nd.

† 1825.

In April 1825, the 38th.

In October 1825, the 1st and 32nd.

In January 1826, Head Quarters, and two squadrons of the 1st Light Cavalry, and 36th Native Infantry.

33. The 7th Regiment, after having been employed at the reduction of Mar-taban, and other places on the Tenasserim coast, was thrown into garrison at Mergui and Tavoy, where it remained from October 1824 to May 1826.

• 1st Regiment.
• 32nd - ditto.
• 36th - ditto.

34. Hostilities having terminated, three regiments* were left to garrison the ceded territory, upon which duty they were retained until the completion of the usual three years' tour. These corps had all originally embarked for *active service* like the rest, and had served some time in Ava before the termination of the war. They were left behind in garrison as being the corps last arrived from India.

The 1st Regiment embarked for Ava in October 1825, and after having been employed against the enemy in Pegu, was ordered to garrison Mergui, where it remained from May 1826 to August 1827.

The 1st Regiment suffered severely from sickness in the early part of its service in Ava, having lost 41 men by death, and sent back 205 to the coast sick, between October 1825 and April 1826.

The 32nd Regiment embarked in October 1825, and proceeded as far as Promé, whence it was sent back to garrison Tavoy, where it remained from May 1826 till May 1829.

The 36th Native Infantry embarked in January 1826, and was sent, after the peace, to garrison Amherst, where it remained from May 1826 till July 1829.

35. The head quarters and one wing of the 35th embarked for Ava, also for active service; but intelligence arriving of the peace, disembarked again, and the regiment was sent the following year to Penang.

36. The 24th and 31st Native Infantry were also named for the same service, and were on the point of embarkation when the war terminated.

37. The 10th and 16th Regiments were originally intended to be employed at Rangoon; but their destination was subsequently altered to Arracan, and they proceeded to Chittagong, where they remained for some time in the performance of ordinary duty, in conjunction with Bengal troops. On their debarkation at Chittagong, their rations were discontinued on the ground that the Madras rules respecting rations to troops on foreign service were not at all applicable to their case, for that as they were serving in the Company's territories they were not on foreign service, and that rations were not issued to the Bengal troops under similar circumstances.

This decision was, however, earnestly opposed by Sir Thomas Munro, who strongly deprecated any alteration of the rules under which the Native troops of this Presidency had always been employed on foreign service.

After showing that the issue of rations on shore was no novel indulgence, but, on the contrary, only in accordance with established usage, Sir Thomas observes: "Looking at the present merely as a question of good faith, the Governor in Council conceives that, as far as the issue of rations is concerned, service at Chittagong to Madras sepoys is foreign service. The sepoys serving there were warned for service at Rangoon, and their destination was unexpectedly changed after they had received two months' advance of pay and their family certificates had been issued. This change has operated in no way to their benefit, and would involve them or their families in the greatest distress if it deprive them of the rations they would otherwise have received." "The term 'foreign service' is applied to all service preceded by a sea voyage, to which the natives of India feel so strong a repugnance. It is not applied to service in a foreign state to which the sepoys march by land. On the other hand, it has been applied without question to service in Ceylon, though not a foreign state. The origin of the indulgence to sepoys of this establishment proceeding on foreign service is probably to be traced to their repugnance to embark on board ship, certainly not to any reluctance on their part to serve in a foreign country. In the opinion of the Governor in Council, the object in view is chiefly gained at that expense. Whatever be the origin of these indulgences, it would be impossible to satisfy the minds of sepoys who have embarked for one strange land, that they were not as well entitled to them as their

their companions embarking at the same time for another, and there does not appear to the Governor in Council to be any just ground for the distinction."

The Government of India on this representation revoked its first decision, and in the following terms distinctly established the one essential characteristic of all foreign service:

"His Lordship in Council fully concurs with the Honourable the Governor in Council in the argument in favour of considering as foreign service all expeditions involving a voyage by sea. The facts adverted to in your Despatch distinctly prove that the claim to rations is not new and unprecedented, but, on the contrary, consistent with established usage; and his Lordship in Council regrets that, from imperfect information on that point, the orders to the Commissary General of the 29th July last refusing the sanction of the Supreme Government to the claim in question should have been issued."

38. These two regiments landed at Chittagong in July 1824, and returned to Madras in January 1826, having lost by sickness, while on service, 292 of the Native ranks.

39. The regiments in Ava suffered also considerably; during nearly the whole of the first year's service, the sepoys were exposed to the most severe privations of every description. They received only the ordinary sea rations of salt fish, &c., no fresh meat being procurable; and the sickness and mortality from this cause, and from climate and exposure, were very serious, the returns showing the number of deaths in 1824 and 1825 to have been 1,184 out of a force of about 15,000, exclusive of upwards of 800 sent back to the coast sick.

40. In the latter part of 1824 a recruiting dépôt for the regiments on service was formed at Wallajahbad, and a hospital for their sick and wounded was established at the same station.

The first reinforcement to the corps in Ava was supplied partly by recruits, but chiefly by volunteers from different regiments, to the number of 600.

These men all knew that they were wanted to fill up the places of the sick and dead, and they were for some time at Wallajahbad, preparatory to their embarkation, yet all went forward cheerfully.

The average number of sick and wounded at Wallajahbad during the same year was 470, reaching at one time to 817, of whom 105 died in hospital.

The recruits had thus constantly before their eyes numbers of wretched sufferers from sickness and wounds, and had full opportunity of becoming well acquainted with the nature of the service on which they were to be employed, and of the privations to which they were likely to be exposed, yet, without any bad effect, no feeling of dissatisfaction was engendered, nor did foreign service become in consequence unpopular. The recruits were still found perfectly willing to embark.

Upwards of 2,000 embarked in successive detachments.

41. It may be observed, that there were also at the dépôt employed in the instruction of the recruits, non-commissioned officers from most of the regiments remaining in garrison, whose accounts of what they saw there of the foreign service; details of course reached their friends in their own corps, and yet some of these corps also subsequently proceeded without hesitation on the same service.

The option given in 1824 to individuals of not accompanying their corps on foreign service was continued to all regiments subsequently required to embark until 1840, when it was omitted as being no longer necessary.

In accordance with the recent instructions of the Government of India, however, the practice has been again reverted to, and the option was accordingly given to the 42nd Regiment as formerly.

42. This brief review of the various occasions on which the Madras sepoys have been employed on foreign service appears to me distinctly to establish the following facts:

1st. That the employment of our sepoys on foreign service has been invariably recognised as being on their parts altogether voluntary.

Note.—Since the war in Ava, the Madras Infantry have continued to be employed on foreign service in the Tenasserim Provinces, the Straits of Malacca, China and Aden; the corps ordered abroad comprising two at Moulmein, one in the Straits, two in China, and one at Aden.

2nd. That while admitting this principle, it has been the constant object of our whole system, by attaching *peculiar advantages* to such service, to render our sepoys willing cheerfully to proceed upon it whenever required.

3rd. That originally the sepoys were obtained for foreign service *individentally*, as volunteers, but that as the subject became familiar to them, and as the particular advantages attached to it became more generally known, the practice of calling for volunteers was gradually altered into what has now been the established system of the Madras army for the last 30 years, of at once naming a regiment for the duty, so as that to proceed on foreign service should come to be looked upon by the men as the rule, and that unwillingness so to serve should be deemed the exception.

43. How entirely this system has proved effectual is at once shown by the fact that, not to include battalions of volunteers and some thousands of recruits, no fewer than 45 of our regular corps have already taken their tour of foreign service; that of these 45, two have actually served three times, and nine of them twice, and that *all*, without a single exception, have proceeded on such service with their own cheerful acquiescence, and without any extra or additional inducements being held out in any case.

9th Native Infantry	-	Amboyna, 1795; Ceylon, 1797; Ava, 1824.
24th " "	-	Amboyna, 1795; Isle of France, 1810; Penang.
1st " "	-	Ceylon, 1795; Ava, 1825.
6th " "	-	Isle of France, 1810; China, 1842.
7th " "	-	Ceylon, 1795; Ava, 1824.
12th " "	-	Ava, 1824; Penang, 1836.
14th " "	-	Ceylon, 1798; China, 1842.
19th " "	-	Ceylon, 1818; Moulmein, 1838.
23rd " "	-	Amboyna, 1795; Malacca, 1832.
29th " "	-	Ceylon, 1818; Malacca, 1831.
36th " "	-	Ceylon, 1818; Ava, 1826.

44. Further, I consider it to be also distinctly proved that it has at all times been usual for the Madras sepoys to be retained on foreign service for the full period of a three years' tour, in the performance of garrison duty, after hostilities have ceased, whether the stations have been permanently added to the Company's territories, or whether they have been occupied only for a time.

That the sepoys have been found at all times perfectly willing to embark, notwithstanding that they have been fully aware of the extent of actual sickness and mortality, and of the privations they would have to encounter, as well in regard to provisions as from the nature of the service generally.

Note.—Thus, for example:—The 16th Regiment, as already noticed, was considered as on foreign service while in garrison at Chittagong, and the same regiment having been ordered in 1844 to proceed by sea from Belgaum to Surat, the men immediately claimed the usual foreign service allowances.

I wrote to a friend at Bombay on hearing of this, stating that had the regiment been ordered to proceed *by land*, I believed the men would have marched without saying a word; and four days after the despatch of my letter, my adjutant general received a communication from the officer commanding the regiment, making precisely the same statement and nearly in the same words.

That foreign service has invariably been understood by them to mean employment beyond sea, out of their own presidency, or, in other words, out of their own country, where their families could not follow or be with them; no distinction having ever been known to them, or having ever been attempted, by the Government, between active service or garrison duty, or between the Company's territories and the territories of any other Power, whether British or foreign.

45. It remains for me to offer my opinion upon the following points:—

1st. That garrison duty in China has been the cause of serious discontent amongst our Native troops.

2nd. That a marked distinction ought to be made between garrison service within the Company's territories, which the State has a right to expect, and service in distant colonies or countries, which ought to be voluntary.

3rd. That the avowed insecurity of our present system ought at the earliest period to be rectified.

46. Upon the first point I have already shown that such service has not been unusual; and I would now observe that the feeling of unwillingness evinced by the 2nd and 41st Regiments to remain in China has had no connection whatever

ever with the mere circumstance of their being employed on garrison duty, but that it has been occasioned solely by their having originally embarked under what they certainly appear to have understood as a distinct promise that they were to return to India on the termination of the war.

47. The troops in China, have never been exposed to any privations at all equal to those endured by the corps employed in Ava, nor have they suffered to any greater extent from sickness.

The 2nd Regiment has lost, during nearly three years' service, 1321 by death, and has sent back to India sick 69. In other respects the corps has been remarkably healthy, comfortably quartered, and plentifully supplied with good provisions.

Note.—The 1st Regiment lost, between October and May 1824–25, forty-one men by death, and sent back to India sick, 205.

The 41st Regiment, exposed to the unwholesome climate of Hong Kong, badly quartered, and badly fed, lost 181, and sent back 61.

Note.—The 10th and 16th Regiments lost by death, between July 1824 and January 1825, 292 men, and sent back to India sick, 272.

The 4th Regiment has indeed suffered severely, having already lost in China by death 186, and sent back to India sick, 277; but this corps embarked for Hong Kong in a very sickly state, 40 men having died at Singapore, and 243 having been sent back sick to Madras, while the surgeon of the regiment had reported that many, though doing their duty, were unequal to a march of a few miles; and yet, in the midst of all this sickness and mortality, this good old regiment has never uttered one word of complaint, nor ever asked to be relieved.

EXTRACT from Letter from Major General D'Aguilar, dated 23rd September 1844.

"No care or consideration shall be wanting towards the sepoys who, amidst sickness as sudden in its later effects as unparalleled, have evinced throughout the most exemplary patience and good conduct."

48. With the full knowledge of all that has been suffered by their fellow-soldiers, and after having witnessed the successive debarkations of the numerous invalids of the 4th Regiment in particular, with whom they have been in constant and immediate communication when on duty at the Presidency Hospital, the 42nd Regiment has embarked without a moment's hesitation on the same duty; and not only without a single man asking for his removal or discharge, of which all had the free option, but with the addition of a number of recruits* enlisted after the order had been issued, and of several† men from other corps, who exchanged into the regiment for the purpose of joining relations, including four from the 6th Regiment, Native Infantry, who had already been in China.

* 25.

† 34.

49. Stronger proofs could not be adduced, I think, to show that the sepoys have not objected to remain in China, and do not now object to proceed there, merely on account of the particular nature of the service.

50. Upon the second point, I have shown that no such distinction has ever been known; and I would now state the grounds upon which I consider that no such distinction ought ever to be attempted.

51. The one essential characteristic of all foreign service, in the estimation of our native troops, lies in the single circumstance of its permanently separating them from their families by sea. This is the one great distinction with them, between foreign service and service of whatever description elsewhere. When once this absolute separation from their families takes place, it makes not the slightest difference to the sepoys for what particular purpose it is to be endured. Whether for active service, or for garrison duty; whether in Ava or at Singapore; whether at Aden or Hong Kong, the case to them is precisely the same. They are separated by the sea from their families and homes, and they endure all the discomfort of this separation, which to men accustomed, as our sepoys are, always to have their families around them, who prepare their meals, and who provide for all their other personal wants, is undoubtedly very great. They are stationed in what to them is a perfectly foreign country, among a people differing from them in language, in religion, and in customs; and whether it happens to be the territory of the Company or of the Crown, or whether it is held only for a time from any other power, all these things remain precisely the same. Thus the 7th Regiment, after the conquest of Martaban, and other places in the Tenasserim Provinces, remained in garrison at Tavoy and Merqui. By the subsequent

treaty of peace those places were ceded to the East India Company, but the mere accident of a treaty could obviously make no difference to the sepoys. To them the places remained exactly the same, the service there involving just the same separation from their families, and just the same discomfort; and accordingly the troops at those stations have continued to serve there on precisely the same conditions to this day. And so with Aden, and Hong Kong, and Chusan. It matters nothing to the sepoy that one treaty has made Aden a Company's possession, or that another has made Hong Kong a possession of the Crown, while Chusan is eventually to revert to the government of China. It would not make the slightest difference to him were the cases reversed, or were all to belong to the Company, or all to the Crown, or to anybody else. His position at each would remain exactly the same. By no mere distinction of name could he be enabled to imagine a difference, really not existing, in his own personal condition.

52. I have no hesitation, therefore, in expressing my conviction that the distinction cannot be made, and I must add that, in my opinion, in justice to the sepoy, it ought not. We have, I consider, no right to expect that our sepoys shall proceed on such service, otherwise than with their own free will. We have no right to require them to quit their own country and to be separated from their families and all domestic ties, and to endure the privation of service beyond sea among a foreign people, and to expose themselves to the sickness which usually attends it, excepting as we are able to make it their own voluntary act, by granting them additional allowances for such service, sufficient to compensate them for the hardships it involves.

53. This has been our fundamental principle throughout, a principle dictated alike by justice and by policy; and thus the constant aim of our whole system hitherto has been to assure ourselves of the cheerful acquiescence of the men.

54. It has been inferred, as following from this, that our system rests upon an insecure footing; and it is considered, which is the remaining point upon which I have to remark, that this ought, at the earliest period, to be rectified.

55. I am quite willing to admit that this insecurity exists; but I believe that practically its existence depends upon ourselves, and that instead of arising out of our own proper system, it has been occasioned solely by interference with it and departure from it.

56. It is quite true, as I consider, that if a regiment should be found unwilling to embark, the men could not and ought not to be compelled. I must explain, however, that practically this supposition includes two very different cases, which would require to be very differently dealt with. If the refusal proceeded simply from dislike to the nature of the service, there being no other ground for such dislike but the mere feeling of the men, though I should still not consider it either politic or just to use compulsion, I should certainly feel myself quite at liberty to deal with the regiment as deserving to be held up to the rest of the army as having disgraced itself by shrinking from a duty which all before had cheerfully fulfilled. But if the refusal proceeded from dissatisfaction, occasioned by reduction of the allowances before attached to the service, and forming practically, as understood by the men, the established conditions of foreign service, the case would be altogether different. It would be not of the slightest avail then to punish the particular regiment, for all other corps being alike interested, and all sharing in the same feeling, that so long as the Government fulfilled its engagements and granted the usual conditions of foreign service, they were in duty and in honour bound to go; but that if the Government refused these allowances, they were under no such obligation. Such of the regiments as had already served on the old allowances would consider the refusal nothing more than right, and those still remaining to take their tour would undoubtedly follow the example.

57. This is no theory, but simply a deduction from actual facts. The first of the above cases I do not anticipate, at least during the 80 years of which we have had experience it has never yet occurred. Nearly the whole of the Madras Infantry have actually been found willing to embark, and not only is there not a single instance on record of their having evinced the slightest backwardness in regard to the particular nature of the service, but men have actually been known
to

to hurry down from a distance by forced marches, lest they should not be in time for embarkation. Of the second case, however, there have been examples, as in the instances of the 2nd and 41st, and 47th Regiments, when upon the one sole ground of reduction of allowances, the men displayed unwillingness to proceed on foreign service, but the moment the men's minds were satisfied on that one point of objection, all unwillingness instantaneously ceased to exist.

58. Since the war in Ava, in addition to the reduction in the rate of batta, which of course affects the great body of the sepoys personally, reductions have been made in the amount of pensions to heirs, and the indulgence of pensions to heirs of men dying after their return to the coast, established by Sir Thomas Munro in 1825, has been withdrawn.* These latter reductions have directly affected all ranks in the one particular on which they are the most sensitive, and they feel that foreign service has been curtailed in the most important of all its advantages. I am borne out by all experience in affirming that had no such reductions been made, no manifestation of unwillingness to embark on foreign service would ever have been known. The insecurity therefore which may now exist must be attributed not to our system, but to the acts of the Government itself, in making alterations in it, and it follows that if no such alterations are made no such insecurity, as established by long experience, is practically to be apprehended.

Note.—My remarks here refer only to the allowances specially affecting foreign service.

Among the changes which have been made in the allowances, &c., of the army generally, there are some which, singly considered, are no doubt to the sepoys' advantages, but taken in the aggregate I believe they are not so, and are certainly not at all popular with the sepoys themselves.

59. Although making conditions for general service with recruits, previous to enlistment, might give the appearance of justice to any punishment awarded for an infraction of them, nevertheless a knowledge of their ignorance, when they first enter the army, induces me now to believe it would not prove of the slightest avail. Our young recruits have little thought beyond the moment, and they might easily be got to engage to serve in any part of the world; but this would not hinder them for an instant from refusing to embark, should they afterwards be required to go on board ship, on what they would then, for the first time, come practically to understand were not the same allowances as had been enjoyed by others before them. It is when the sepoys come to make out their family certificates, and when their wives and mothers also come to understand distinctly, as a matter of their own personal concern, what provision will be made for them should they lose their husbands or their sons; it is then that the subject comes first to be really considered, and that the feelings of the men are first excited.

It might in such case be lawful to use compulsion; but I cannot think that such a course would be either wise or useful in the native army. It must prove injurious to the credit of the Government, if the wives and families of the sepoys are left in discontent and distress in India, whilst their husbands or sons are serving under compulsion abroad; and until the whole social system of the population of this Presidency be altered, the sepoy cannot carry his wife or family with him on foreign service, even if it were practicable or desirable, which it is not, that a passage should be provided for them at the public expense; neither can he leave them without support, so that it is in fact absolutely necessary for the sepoy on such occasions to have the means of providing for the maintenance of those dependent on him.

60. But besides that the introduction of any special stipulation to serve within particular limits would not be effectual, I consider that it would be, in effect, injurious.

Any alteration of this nature must at once attract attention, and must unavoidably tend to suggest to all already enlisted without such stipulation, that they are not under any similar obligation.

Nor do I see how it could be established with fairness to the men themselves.

It will be obvious that our young recruits can understand nothing whatever of what is meant by the "Company's territories," and therefore that they can know nothing of the extent of the obligation they incur; moreover, those territories themselves are continually changing; and thus, if construed to mean the

* Since restored by order of the Court of Directors, G. O. C., 24th January 1845.

the territories as existing at the time of each man's enlistment, which in fairness it ought to be, the men of the same corps in a very few years' time would come to be placed on different limitations of service.

61. The Madras sepoy makes a declaration to serve the Government with truth and loyalty; faithfully to obey the orders of all officers set over him, and never to abandon his colours, but to defend them with his life.

This, supported by the various advantages which the Government have most wisely and justly granted, has hitherto been found amply sufficient to ensure the needy and willing service of our sepoys whenever and wherever required; and it certainly appears to me, that in a question of so great importance, the difference of so many years should at least render us slow to make change.

62. I know of but one effectual remedy for the existing insecurity, and which would apply as much to the European as to the native soldier. It is, that the full advantages formerly attached to foreign service should be restored, and that they should be scrupulously maintained inviolate.

63. I think it right in conclusion, to express my opinion that upon this, as upon all questions in any manner affecting our native troops, it is of the utmost importance for us to bear in mind as a great, and I believe, an unalterable principle, that the native army of this Presidency possesses a character peculiar to itself, to which I shall now advert; and that it should consequently be left as much as possible under its own peculiar system; since measures which may be most appropriate for other armies, may often be ill-adapted, or even quite unadapted to this.

64. The native army of this Presidency, it should always be remembered, though essentially mercenary, possessing nothing of a national character, and not under the influence of any national feeling of loyalty properly called, is yet at the same time not purely mercenary, for what, as in the British army is the result of national feeling, has been produced in this, to a considerable extent, by the continued operation of various causes arising out of our particular system.

65. The Madras sepoys usually enter the service when very young; sometimes as offering them the best, or perhaps the only means of subsistence, and sometimes, as in the case of the cavalry and horse artillery generally, from hereditary preference to the army as their proper family calling.

Their regiment thenceforward becomes their permanent home, for they have rarely any other tie, or any other view than that of passing the rest of their lives in the service, hoping to obtain promotion, and sure of succeeding, in course of time, to a sufficient pension.

Few, comparatively, ever think of quitting the ranks under any other circumstances; all, after a few years' service, marry; and their wives, mothers, sisters, and other relatives and dependents, mostly living with the corps, each regiment constitutes a sort of military colony*; distinct in many of its habits and feelings generally, and bound together, and to the service, by peculiar ties.

Amongst themselves is the common feeling of association as belonging to the same corps and to the same army; and the strong sense they have of the obligation by which they are bound in common with the natives of this country generally, to assist in the maintenance of their poor relations; added to which, there exists throughout the cavalry, and in all the old regiments of infantry, a feeling of family connection with our service; through several successive generations, from the first formation of our native army.

Intimately connected with these feelings, or rather forming the essential principle by which they have been induced, are the great advantages offered by our service, especially in the certainty of full and punctual payment, and in the permanent provision secured for themselves for life, and for their families, by our pension establishment; coupled with the unlimited confidence which, until recently, constant experience had brought the sepoys to entertain in the stability of our system, and the irrevocable character of all our engagements.

This, in fact, has been the foundation on which the peculiar character of our army

* Each regiment of native infantry may be estimated as comprising an average aggregate of from 3,500 to 4,000 souls.

army has been formed; and on this, and on the feeling which has arisen out of it, our officers have been able to establish, often to a remarkable extent, a spirit of attachment to the "Company's service," in preference to all others, and personally also to themselves.

Altogether their character is such as has, I believe, never belonged to any other body of mercenary troops.

It differs essentially from that of the German auxiliaries or free companies of former times in Europe, who, serving for pay, would never hesitate to take whichever side could give the highest terms. This, indeed, was a common practice with sepoys also, in the days of Lawrence and Clive; but it gradually ceased, and very noble proofs were afterwards given by our men of fidelity to their colours, in circumstances of extreme temptation, when, in the wars with Hyder Ali and Tippoo Sooltan, constant attempts were made to induce them to take service against us.

They perhaps most resemble the Swiss corps, formerly in the French and other Continental services; faithful to their employers, not from any national feeling, but from having been for successive generations in their pay, and having thus become personally identified with them in all their military character.

And as we know was the proverb with the Swiss then, so with the sepoy now, "No pay, no soldier," while like the Swiss, if only the terms of his contract be faithfully fulfilled by his employers, the sepoy is found invariably true and faithful to the Government he serves.

The whole fabric rests on this one foundation—the certainty of personal advantage secured to them, as the general rule, for life: any alteration in the peculiar benefits which have been for years past attached to our service, and which have from long enjoyment become familiar to all as its sure *mamool*, its established *custom*, directly shakes the whole structure. Considering, therefore, the peculiar character and constitution of the army of this Presidency, I cannot but feel deep regret that so many changes should have been made without an opportunity being afforded to this Government to offer their opinions previous to those changes being adopted.

The men composing the Madras army are as perfectly distinct in their habits and feelings from the armies of the other Presidencies as are, for example, the Germans and French; they are, in fact, just as much *nationally* different; and far from having any sort of fellow-feeling, they look upon and speak of each other as belonging to distinct countries; so that even the men from Hindoostan, of whom a few hundreds are to be found in the ranks of the Madras army, invariably designate themselves as "foreigners."

Each army has now for many years gone forward successfully under its own system; and I certainly think that all our experience has very plainly shown it to be our wisest, as well as our safest course, to make as few changes as possible.

The advantages of a general assimilation in the Indian armies, recruited from a population extending over so many different countries, connected with one another by no one common tie, either national or military, I believe to be at best but very doubtful; of its positive evils we have had some lamentable proofs, and I can only hope that future times may not afford a repetition of them.

(signed) *Tweeddale.*

MINUTE by the Most Noble the Marquis of *Tweeddale*, dated
28th March 1845.

I HAVE already placed on record a full statement of the grounds upon which I consider that employment on foreign service, of whatever description, must always be perfectly voluntary on the part of the native troops, and that the distinction between garrison service within the East India Company's territories as a duty "which the State has a right to expect," and for which the Hon. Mr. Chamier is of opinion "no option should be allowed," and service in distant countries which ought to be "voluntary," cannot and ought not to be made.

2. I have only therefore now further to observe, that in the instances of the 2nd, and 41st, and 47th Regiments, the Government have had, as it appears to me, sufficiently decided proof, that however deservedly high the reputation of the Madras sepoys for their soldierlike feeling, the distinction between active field service and garrison duty has not been, and never will be, found to have the effect of rendering them willing to embark on board ship, under any reduction of established allowances.

3. The 2nd and 41st Regiments were required for active field service in China; they were dissatisfied, because of the reduction in the rates of family pension, and had they not received what in their estimation was tantamount to a promise that the old rates should be allowed, I believe there is a good reason for considering that they would not have consented to embark.

4. The 47th Regiment was required for active field service in Scind. They were dissatisfied on account of the usual promise of rations having been withheld, when at the same time they were called on to prepare their family certificates previous to embarkation, and without the grant of rations the Government are aware that the regiment would certainly have refused to proceed.

5. I may add that, in my opinion, the danger of refusal is quite as great under any system of volunteering as under the present arrangement, and with this important difference, that after having once had recourse to a call for volunteers, and having met with a refusal, the Government would be absolutely helpless. there would remain no other measure to which they could have resort. The Government will remember that the men of the 47th Regiment were in vain called upon to volunteer as soldiers; their willingness to go on foreign service I never had the slightest reason to doubt, and the moment the usual rations were granted, and which enabled the sepoys to make out their family certificates, every man was found instantly willing to embark; equally vain would it then have been found to call for volunteers from any other corps had the rations still been withheld, as the same desire to provide for the wants of their families during their absence is equally felt by the whole native army.

6. As explained in my former Minute, foreign service is really voluntary; every man having his free option either to go or stay; but if with that option, any regiment should decline the duty, the Government may, I think, rest satisfied that it would be to no purpose whatever then to call for volunteers. The refusal would to a certainty rest upon the one sole ground of pay and allowances, and as certainly upon that same ground, the same refusal would unquestionably be pronounced by every other corps in the native army.

(signed) *Tweeddale.*

EAST INDIA (NATIVE TROOPS).

COPY of MINUTES by the Most Noble the Marquis of Tweeddale, K. T., Governor and Commander-in-Chief of Madras, of 6th March 1845 and 28th March 1845, upon the System under which NATIVE TROOPS of that Presidency are Employed on FOREIGN SERVICE.

(*Sir James Fergusson.*)

*Ordered, by The House of Commons, to be Printed,
4 April 1867.*

EAST INDIA (POLICE FORCE).

RETURN to an Address of the Honourable The House of Commons,
dated 3 August 1866;—for,

A “GENERAL STATEMENT of the POLICE FORCE in *India* on the 31st day of December 1865:—

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India Office, }
20 May 1867. }

H. L. ANDERSON,
Secretary, Judicial Department.

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(Lord William Hay.)

Ordered, by The House of Commons, to be Printed,
23 May 1867.

BERAR.

STATEMENT showing actual Strength and Monthly Cost of the POLICE of the BERAR PROVINCE on the 31st December 1865.

1. Name of Presidency or Province.	2. From what Source Paid.	3. Description of Force.	4. OFFICERS.										5. RANK AND FILE.										6. Expenditure, not included under Pay.	7. Grand Total of Strength.	8. Grand Total of Cost.	9. Population.	10. Area.	11. Proportion of Strength to		12. Proportion of Cost to																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
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Ellichpore,
22 November 1866.

(signed)

J. Younghusband, Lieut. Col.,
Inspector General of Police.

O U D E.

STATEMENT of OUDE POLICE FORCE as it stood on 31st December 1865.

1.	2.	3.	4.											
NAME of PRESIDENCY or PROVINCE.	From what Source Paid.	Description of Force.	OFFICERS.											
			1.	2.	3.	4.	5.	6.	7.	8.	9.	10.		
			Description of Officers.	Number.	Rate of Pay.	Total Cost.	European.	Eurasian.	Hindos.	Mahomedans.	Native Christians.	Others.		
PROVINCE OF OUDE.	Two-thirds of City Superintendent's Pay, viz. Rs. 333. 5a. 4p., is paid from local funds, and the remainder from Imperial Revenue	European Officers	Inspector General - - - -	1	Rs. 1,800	Rs. 1,800	1	-	-	-	-	-		
			District Superintendents :											
			First Grade - - - -	2	1,000	2,000	2	-	-	-	-	-		
			Second Grade - - - -	2	800	1,600	2	-	-	-	-	-		
			Third Grade - - - -	3	700	2,100	3	-	-	-	-	-		
			Fourth Grade - - - -	3	600	1,800	3	-	-	-	-	-		
			Fifth Grade - - - -	2	500	1,000	2	-	-	-	-	-		
			City Superintendent of Police, Lucknow - - - -	1	500	500	1	-	-	-	-	-		
			Assistant District Superintendents - - - -	4	400	1,600	4	-	-	-	-	-		
			Personal Allowance of Two District Superintendents - - - -	-	200	300	-	-	-	-	-	-		
			and 100	300	-	-	-	-	-	-	-			
			TOTAL - - - -	18	-	12,700	-	-	-	-	-	-		
			Imperial Revenue	Regular Police, Mounted	- - - - -	-	-	-	-	-	-	-	-	-
					Inspectors :									
					First Grade - - - -	8	200	1,600	2	-	4	2	-	-
	Second Grade - - - -	6			150	900	2	1	3	-	-	-		
	Third Grade - - - -	9			120	1,080	1	2	3	3	-	-		
	Fourth Grade - - - -	13			100	1,300	1	2	6	2	-	2		
	Deputy Inspectors - - - -	72			65	4,680	5	7	40	13	-	7		
	Chief Constables :													
	First Grade - - - -	64			50	3,200	1	2	29	28	1	3		
	Second Grade - - - -	60			30	1,800	-	-	32	23	-	5		
	TOTAL - - - -	232	-	14,560	-	-	-	-	-	-				
	Rs. 27,868 in 1865 was paid from Imperial Revenue, and the rest from local funds	Town Police	Inspectors :											
			First Grade - - - -	1	250	250	-	-	-	-	1	-		
Second Grade - - - -			1	200	200	-	1	-	-	-	-			
Deputy Inspectors :														
First Grade - - - -			2	100	200	-	-	1	1	-	-			
Second Grade - - - -			1	80	80	-	-	1	-	-	-			
Third Grade - - - -			2	75	150	-	1	1	-	-	-			
Chief Constables :														
First Grade - - - -			2	50	100	-	-	2	-	-	-			
Second Grade - - - -			1	40	40	-	-	1	-	-	-			
Third Grade - - - -			1	30	30	-	-	-	1	-	-			
Fourth Grade - - - -			7	24	168	-	-	4	3	-	-			
Fifth Grade - - - -			9	20	180	-	1	3	5	-	-			
TOTAL - - - -			27	-	1,308	-	-	-	-	-	-			
Cantonment Police			Deputy Inspectors - - - -	1	80	80	1	-	-	-	-	-		
	Chief Constables :													
	First Grade - - - -	1	50	50	-	-	1	-	-	-				
	Second Grade - - - -	1	20	20	-	-	-	1	-	-				
	TOTAL - - - -	3	-	160	-	-	-	-	-	-				

O U D E.

STATEMENT of OUDE POLICE FORCE as it stood on 31st December 1865.

5. RANK AND FILE.											6.	7.	8.	9.	10.	11.		12.				
Number, according to Class.		Rate of Pay.	Total Cost.	European.	Eurasian.	Hindoos.	Mahomedans.	Native Christians.	Others.	ARMS.				Expenditure not included under Pay.	Grand Total of Strength.	Grand Total of Cost.	Population.	Area.	Proportion of Strength to		Proportion of Cost to	
Number.	C L A S S.									Muskets.	Swords.	Spears.	Batons.						Population.	Area.	Population.	Area.
INSPECTOR GENERAL'S OFFICE :																						
-	1 Superintendent -	Rs. 350	350	1	-	-	-	-	-	-	-	-	-	Rs. 6,137	-	-	-	-	-	-	-	
-	1 General Assistant -	200	200	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
-	1 Record Keeper -	100	100	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
-	2 Clerks -	65	130	-	-	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-		
-	2 Clerks -	60	120	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
-	2 Clerks -	20	40	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
-	1 Duftery -	10	10	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
-	1 Furrash -	4	4	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
-	TOTAL -	-	954	-	-	-	-	-	-	-	-	-	-	-	18	19,811	-	-	-	-		
Head Constables :																						
12	First Grade -	30	360	-	-	7	1	1	3	-	12	1	-	Rs. 25,100	-	-	-	-	-	-		
12	Second Grade -	27	324	-	-	6	5	-	1	-	12	1	-	-	-	-	-	-	-	-		
Constables :																						
221	First Grade -	25	5,525	-	-	112	69	-	40	15	221	-	-	-	-	-	-	-	-	-		
9	Second Grade -	22	198	-	-	3	3	-	3	2	9	-	-	-	-	-	-	-	-	-		
8	Third Grade -	20	160	-	-	5	2	-	1	3	8	-	-	-	-	-	-	-	-	-		
Head Constables :																						
300	First Grade -	14	4,200	-	-	165	94	-	41	300	23	-	-	-	-	-	-	-	-	-		
449	Second Grade -	12	5,388	-	-	255	127	-	67	455	35	-	-	-	-	-	-	-	-	-		
Constables :																						
3,621	First Grade -	7	25,347	-	-	2,557	458	1	605	3,621	1,274	-	1,133	-	-	-	-	-	-	-		
1,384	Second Grade -	6	8,304	-	-	981	271	-	132	1,539	82	-	143	-	-	-	-	-	-	-		
173	Recruit Boys -	3	519	-	-	104	58	-	11	96	-	-	13	-	-	-	-	-	-	-		
-	67 Divisional Writers' allowance	5	335	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
-	12 Drill Instructors	5	60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
-	TOTAL -	-	50,720	-	-	-	-	-	-	-	-	-	-	-	6,421	1,25,270	-	-	-	-		
HOSPITAL ESTABLISHMENT :																						
12 Native Doctors :																						
	1 at Rs. 30 -	30		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	4 at Rs. 25 each -	100		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	7 at Rs. 20 each -	140		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
			270	-	-	4	8	-	-	-	-	-	-	-	-	-	-	-	-	-		
12	Dressers -	5	60	-	-	2	10	-	-	-	-	-	-	-	-	-	-	-	-	-		
12	Cooks -	4	48	-	-	10	2	-	-	-	-	-	-	-	-	-	-	-	-	-		
12	Bhishtees -	5	60	-	-	2	10	-	-	-	-	-	-	-	-	-	-	-	-	-		
12	Sweepers -	4	48	-	-	1	2	-	9	-	-	-	-	-	-	-	-	-	-	-		
-	TOTAL -	-	486	-	-	-	-	-	-	-	-	-	-	-	-	486	8,838,151	53,242 square miles.	0.9	15.69	1.91	
Head Constables :																						
3	First Grade -	15	45	-	-	3	-	-	-	-	3	-	3	-	-	-	-	-	-	-		
2	Second Grade -	14	28	-	-	2	-	-	-	-	2	-	2	-	-	-	-	-	-	-		
48	Third Grade -	12	576	-	-	28	19	1	-	-	48	-	48	-	-	-	-	-	-	-		
11	Fourth Grade -	10	110	-	-	6	5	-	-	-	11	-	11	-	-	-	-	-	-	-		
51	Fifth Grade -	8	408	-	-	32	19	-	-	-	51	-	51	-	-	-	-	-	-	-		
Constables :																						
109	First Grade -	7	763	-	-	63	41	-	5	-	109	-	109	-	-	-	-	-	-	-		
843	Second Grade -	6	5,058	-	-	636	193	7	7	-	843	-	843	-	-	-	-	-	-	-		
670	Third Grade -	5	3,350	-	-	325	304	-	41	-	671	-	362	-	-	-	-	-	-	-		
13	Fourth Grade -	4	52	-	-	6	6	-	1	-	13	-	8	-	-	-	-	-	-	-		
16	Recruit Boys -	3	48	-	-	10	6	-	-	-	-	-	-	-	-	-	-	-	-	-		
1,766	TOTAL -	-	10,438	-	-	-	-	-	-	-	-	-	-	-	1,793	22,255	-	-	-	-		
HOSPITAL ESTABLISHMENT :																						
1 Native Doctor -																						
	1 Uresser -	5	5	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-		
	1 Bhishtee -	5	5	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-		
	1 Cook -	4	4	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-		
	1 Sweeper -	4	4	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-		
-	TOTAL -	-	43	-	-	-	-	-	-	-	-	-	-	-	-	43	-	-	-	-		
Head Constables :																						
8	First Grade -	12	96	-	-	4	4	-	-	-	8	-	-	-	-	-	-	-	-	-		
9	Second Grade -	7	63	-	-	5	4	-	-	-	9	-	-	-	-	-	-	-	-	-		
Constables :																						
18	First Grade -	6	108	-	-	16	2	-	-	-	18	-	7	-	-	-	-	-	-	-		
86	Second Grade -	5	430	-	-	61	25	-	-	-	86	-	52	-	-	-	-	-	-	-		
121	TOTAL -	-	697	-	-	-	-	-	-	-	-	-	-	-	124	996	-	-	-	-		
GRAND TOTAL																						
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,356	1,08,861	-	-	-	-		

* The number shown in excess here are on account of men wanting to complete the sanctioned establishment.

(signed) R. Hannah, Superintendent,
For Officiating Inspector General, Oude Police.

M A D R A S.

STATEMENT of the Cost and Strength of the POLICE FORCE

1. NAME of PRESIDENCY or PROVINCE.	2. From what Source Paid.	3. Description of Force.	4. OFFICERS.									
			1. Description of Office.	2. Number.	3. Rate of Pay. Rs.	4. Total Cost. Rs.	5. Europeans.	6. Eurasians.	7. Hindos.	8. Mahomedans.	9. Native Christians.	10. Others.
TOWN OF MADRAS.	{ Half the total cost by the Government, and half by the Municipality.	Foot Police	Commissioner - - - - -	1	1,500	18,000	1	-	-	-	-	-
			Deputy Commissioners - - -	2	500	12,000	1	-	1	-	-	-
			Inspectors:									
			First Class - - - - -	2	130	3,120	2	-	-	-	-	-
			Second Class - - - - -	1	120	1,440	1	-	-	-	-	-
			Third Class - - - - -	5	100	6,000	3	1	1	-	-	-
			Fourth Class - - - - -	1	80	960	1	-	-	-	-	-
			Fifth Class - - - - -	2	70	1,680	1	1	-	-	-	-
				14	-	43,200	10	2	2	-	-	-
		Mounted Police	Superintendent - - - - -	1	314½	3,779	1	-	-	-	-	-
			Inspector - - - - -	1	90	1,080	1	-	-	-	-	-
				2	-	4,859	2	-	-	-	-	-
			TOTAL - - -	16	-	48,059	12	2	2	-	-	-
		Marine Police †	Superintendent - - - - -	1	250	3,000	1	-	-	-	-	-
			Inspector - - - - -	1	110	1,320	-	1	-	-	-	-
			TOTAL - - -	2	-	4,320	1	1	-	-	-	-
DISTRICT OF MADRAS.	The State - -	Civil Police ‡	Inspector General of Police - -	1	2,500	30,000	50	-	-	-	-	-
			Deputy Inspectors General of Police	4	1,000	48,000						
			Assistant Inspectors General of Police	1	800	9,600						
			Superintendents of Police - -	10	800	96,000						
			Ditto - - - - -	11	700	92,400						
			Assistant Superintendents of Police:				68	62	258	30	11	53
			First Class - - - - -	17	500	1,92,400						
			Second Class - - - - -	6	400	28,800						
			Inspectors of Police:									
			First Class - - - - -	36	215 and 225	63,000						
			Second Class - - - - -	49	165	97,020						
			Third Class - - - - -	73	115 and 125	1,00,880						
			Fourth Class - - - - -	88	85	89,760						
			Fifth Class - - - - -	111	60	79,920						
			Sixth Class - - - - -	125	47	70,500						
			TOTAL - - -	532	-	10,28,260						

* In use by the police on guard at the penitentiary.

† The Marine Police form a special and self-supporting force for the protection of exports and imports, the cost being met by the fee of 3 annas levied on each boat-load of goods; the proportion to population and area have, therefore, not been estimated.

M A D R A S.

- in the Madras Presidency, as they stood on the 31st day of December 1865.

5. RANK AND FILE.										6. Expenditure not included under Pay.	7. Grand Total of Strength.	8. Grand Total Cost.	9. Population.	10. Area.	11. Proportion of Strength to Population.	12. Proportion of Cost to Area.
Number according to Class.	Rate of Pay.	Total Cost.	Europeans.	Eurasians.	Hindos.	Mahomedans.	Native Christians.	Others.	Arms. Muskets. Swords. Spears. Batons.							
EXECUTIVE :																
14 Constables - - -	Rs. 50	Rs. 8,400	9	4	1	-	-	-	14	House-rent - -	Rs. 1,428	Rs.				
1 Jemadar - - -	33½	402	-	-	1	-	-	-	-	Forage Allowance	3,864					
7 Jemadars - - -	31	2,604	-	-	4	3	-	-	-	Clothing - -	9,738					
9 Duffadar-Majors -	15	1,620	-	-	2	5	2	-	9	Contingencies -	4,543					
1 Duffadar - - -	12	144	-	-	1	-	-	-	1	Rewards for In-	137					
33 Duffadars - - -	11	4,356	-	-	22	11	-	-	33	Office Establish-	9,219					
46 Naigues - - -	9	4,968	-	-	33	13	-	-	46	ment - -						
88 Peons, First Class -	8	8,448	-	-	276	192	1	1	50*							
382 Peons, Second Class -	7	32,088	-	-	-	-	-	-	382							
8 Conicopolies - - -	8	768	-	-	8	-	-	-	-							
DETECTIVE :																
4 Darogahs, First Class -	30	1,440	-	-	10	-	1	-	-							
7 Darogahs, Second Class	25	2,100	-	-	24	-	-	-	-							
24 Talliars, Naigues - -	12	3,456	-	-	-	-	-	-	-							
39 Talliars, First Class -	9	4,212	-	-	119	-	1	-	-							
39 Talliars, Second Class	8	3,744	-	-	-	-	-	-	-							
42 Talliars, Third Class -	7	3,528	-	-	-	-	-	-	-							
1 Head Hurkarah - - -	17½	210	-	-	1	-	-	-	-							
1 Deputy Hurkarah - - -	14½	178	-	-	1	-	-	-	-							
22 Hurkarahs - - -	10½	2,772	-	-	22	-	-	-	-							
2 Overseers - - -	21	504	-	-	1	1	-	-	-							
770	-	85,942	9	4	526	225	2	4	50	Rs. 28,929	784	1,58,071	4,60,000	27 square miles.	1 to 551.558.	6 a. 11½ p. per head per annum, 7,420 rupees per square mile.
4 Constables - - -	50	2,400	4	-	-	-	-	-	-	House-rent - -	1,980					
4 Sub-Constables - - -	40	1,920	4	-	-	-	-	-	-	Clothing - -	972					
40 Troopers - - -	30	14,400	38	2	-	-	-	-	-	Stable supplies, gram, horse- keepers, grass- cutters, &c. -	15,058					
48	-	18,720	46	2	-	-	-	-	-	Contingencies -	927					
										18,937	50	42,516				
818	-	1,04,062	56	6	526	225	2	4	50	Rs. 47,866	834	2,00,587				
1 Constable - - -	50	600	1	-	-	-	-	-	-	House-rent - -	210					
1 Jemadar - - -	35	420	-	-	1	-	-	-	-	Clothing - -	2,067					
1 Duffadar-Major - - -	15	180	-	-	-	1	-	-	-	Contingencies -	482					
10 Duffadars - - -	12	1,440	-	-	8	2	-	-	-	Establishment and crew of boat and tindals, &c. -	7,968					
10 Naigues - - -	10	1,200	-	-	5	4	1	-	-	Crew of two Go- vernment boats	1,944					
70 Peons, First Class -	8	6,720	-	-	43	27	-	-	-							
70 Peons, Second Class -	7	5,880	-	-	40	28	2	-	-							
103	-	16,440	1	-	97	64	3	-	-	Rs. 12,671	-	33,431				
39 European Head Con- stables - - -	30 to 40	15,294														
1,428 Head Constables -	20 to 24	3,44,328														
1,637 Deputy Herd Con- stables - - -	10½ to 14	2,07,412														
6,759 Constables, First Class	7 to 9	5,62,034														
13,514 Constables, Second Class - - -	6 to 8	9,76,936	45	73	13,831	7,611	881	1,492	9,415	12,027	-	24,400	4,86,864	23,065	36,38,000	24,206,509
MOUNTED POLICE:																
2 Head Constables - - -	48	1,152														
2 Deputy Head Con- stables - - -	33½	804														
52 Constables - - -	24	14,076														
23,433	-	21,22,876														

* A. The police carry arms only when escorting treasure or prisoners, when acting as gaol guards, and over treasure.

B. Under the head "Others" have been included 49 inspectors and 138 constables wanting to complete.

C. This return includes police supplied for purely State services, as follows :-

DEPARTMENT.	No.	Cost.
		Rs.
Preventive Establishment on French Frontiers	134	15,000
Salt Monopoly Preventive Establishment - - -	1,157	1,49,700
At Convict Establishment - - -	1,276	1,55,040
At Revenue Treasuries - - -	1,450	1,48,370
TOTAL - - -	4,017	4,08,710

BRITISH BURMAH.

GENERAL STATEMENT of the POLICE FORCE in

1. NAME of PROVINCE.	2. From what Source Paid.	3. Description of Force.	4. OFFICERS.						RANK						
			1. DESCRIPTION OF OFFICE.	2. Number.	3. Rate of Pay Monthly.	4. Total Cost Yearly.	5. Europeans.	6. Eurasians.	Number, according to Class.	Rate of Pay Monthly.	Total Cost Yearly.	Europeans.	Eurasians.	Hindoes.	
BRITISH BURMAH	Imperial Funds -	Civil Police -	Inspector General of Police - - -	1	Rs. 1,800	Rs. 21,600	-	-	-	-	-	-	-	-	
			Superintendents of Police :												
			First Grade - - - - -	2	900	21,600	-	-	-	-	-	-	-	-	
			Second Grade - - - - -	2	800	16,200	-	-	-	-	-	-	-	-	
			Third Grade - - - - -	2	700	16,800	-	-	-	-	-	-	-	-	
			Fourth Grade - - - - -	2	600	14,400	-	-	-	-	-	-	-	-	
			Fifth Grade - - - - -	4	500	24,000	-	-	-	-	-	-	-	-	
			Assistant Superintendents of Police -	7	400	33,600	-	-	-	-	-	-	-	-	
			Inspectors of Police :												
			First Grade - - - - -	-	-	-	-	-	12	175	25,200	-	-	-	
			Second Grade - - - - -	-	-	-	-	-	12	140	20,160	-	-	-	
			Third Grade - - - - -	-	-	-	-	-	12	120	17,280	-	-	-	
			Head Constables - - - - -	-	-	-	-	-	92	65	71,760	-	-	-	
			Serjeants :												
			First Class - - - - -	-	-	-	-	-	4	40	1,920	-	-	-	
			Second Class - - - - -	-	-	-	-	-	42	30	15,120	-	-	-	
			Third Class - - - - -	-	-	-	-	-	247	20	59,280	-	-	-	
			Constables :												
			First Class - - - - -	-	-	-	-	-	20	20	4,800	-	-	-	
			Second Class - - - - -	-	-	-	-	-	461	15	82,980	-	-	-	
			Third Class - - - - -	-	-	-	-	-	531	12	76,464	-	-	-	
			Fourth Class - - - - -	-	-	-	-	-	738	11	97,416	-	-	-	
			Fifth Class - - - - -	-	-	-	-	-	2,141	10	2,56,920	-	-	-	
			Sixth Class - - - - -	-	-	-	-	-	898	9	90,504	-	-	-	
			Steersmen :												
			First Class - - - - -	-	-	-	-	-	6	15	1,080	-	-	-	
			Second Class - - - - -	-	-	-	-	-	9	14	1,512	-	-	-	
			Third Class - - - - -	-	-	-	-	-	16	12	2,304	-	-	-	
			Fourth Class - - - - -	-	-	-	-	-	14	10	1,680	-	-	-	
			Boatmen :												
			First Class - - - - -	-	-	-	-	-	38	10	4,560	-	-	-	
			Second Class - - - - -	-	-	-	-	-	36	9	3,828	-	-	-	
			Third Class - - - - -	-	-	-	-	-	84	8	8,568	-	-	-	
			Fourth Class - - - - -	-	-	-	-	-	113	8	10,848	-	-	-	
			Village Police - - - - -	-	-	-	-	-	945	10	1,13,400	-	-	-	
			TOTAL - - -				20	-	1,51,200	20	-	6,411	-	9,07,584	14
	Municipal Funds -	Civil Police -	Assistant Superintendents of Police -	2	400	9,600	-	-	-	-	-	-	-	-	-
			Inspectors of Police :												
			First Grade - - - - -	-	-	-	-	-	2	175	4,200	-	-	-	
			Second Grade - - - - -	-	-	-	-	-	1	140	1,680	-	-	-	
			Third Grade - - - - -	-	-	-	-	-	2	120	2,880	-	-	-	
			Head Constables - - - - -	-	-	-	-	-	10	65	7,800	-	-	-	
			Serjeants :												
Second Class - - - - -			-	-	-	-	-	1	30	360	-	-	-		
Third Class - - - - -			-	-	-	-	-	48	20	11,520	-	-	-		
Constables :															
Second Class - - - - -			-	-	-	-	-	9	15	1,620	-	-	-		
Third Class - - - - -			-	-	-	-	-	8	12	1,152	-	-	-		
Fourth Class - - - - -			-	-	-	-	-	9	11	1,188	-	-	-		
Fifth Class - - - - -			-	-	-	-	-	157	10	18,840	-	-	-		
Sixth Class - - - - -			-	-	-	-	-	258	9	27,864	-	-	-		
Steersmen, Second Class - - - - -			-	-	-	-	-	2	14	336	-	-	-		
Boatmen, First Class - - - - -			-	-	-	-	-	14	10	1,680	-	-	-		
TOTAL - - -				2	-	9,600	1	1	521	-	81,120	2	6	77	
GRAND TOTAL - - -				22	-	1,60,800	21	1	6,932	-	10,48,704	16	24	552	

Rangoon,
24 December 1865. }

BRITISH BURMAH.

BRITISH BURMAH on the 31st day of December 1865.

5. AND FILE.										6. Ex- penditure not included under Pay.	7. Grand Total of Strength.	8. Grand Total of Cost.	9. Population.	10. Area.	11. Proportion of Strength to		12. Proportion of Cost to	
Mahomedans.	Native Christians.	Chinese.	Malays.	Karens.	Burmese.	ARMS.									Population.		Popu- lation.	Area.
						Muskets.	Swords.	Spears.	Batons.									
-	-	-	-	-	-	-	-	-	-	Rs.	-	Rs.					Rs. a. p.	Rs. a. p.
866	24	6	9	102	4,807	5,286	668	2	1,291	1,21,450	6,431	12,40,234	2,373,849 people.	90,070 sq. miles.	One police- man to 326 people.	One police- man to 12·95 sq. miles.	- 9 4 per head.	14 12 7 per square mile.
139	7	1	5	-	284	155	-	-	458	1,210	523	91,960						
1,005	31	7	14	102	5,181	5,441	608	2	1,749	1,22,690	6,954	18,32,194						

H. Duncan, Captain,
Inspector General of Police, British Burmah.

PUNJAB.

GENERAL STATEMENT OF POLICE FORCE in the PUNJAB on 31st December 1865.

1. Name of Presidency or Province.	2. From what Source Paid.	3. Description of Force.	4. OFFICERS.				5. RANK AND FILE.										6. Grand Total of Strength.	7. Grand Total of Cost.	8. Population.	9. Area.	10. Proportion of Strength to Area.	11. Proportion of Cost to Area.	12. Proportion of Cost to Area.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																										
			1. Description of Office.	2. Number.	3. Rate of Pay.	4. Total Annual Cost.	5. Europeans.	6. Hindos.	7. Mahomedans.	8. Native Christians.	9. Others.	ARMS.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
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PUNJAB	Imperial Revenues.	Imperial Police.	Inspector General	1	Rs. 2,250	Rs. 27,000	1																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																										

* Remarks.—Columns 9 to 12 cannot be filled in, owing to district return not giving the required information.

E. Newbury, Lieut.,
Offg. Pl. Asst. to Insp. General of Police, Punjab.Lahore,
25 December 1865.

COORG.

STATEMENT showing the Strength of the Police Force in Coorg as it stood on the 31st December 1865.

1. Names of Presidency or Province.	2. From what Source Paid.	3. Description of Force.	4. OFFICERS.										5. RANK AND FILE.														9. Expenditure not included under Pay.	7. Grand Total of Strength.	8. Grand Total Cost.	9. Population.	10. Area.	11. Proportion of Strength to		12. Proportion of Cost to																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
			1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	Native Christians.	Mahomedans.	Hindoos.	Eurasians.	Europeans.	Total Cost.	Rate of Pay.	Number according to Class.	Arms.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
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Coorg	Imperial Revenue -	Local Police -	-	1	-	1	1	1	1	1	1	1	6	10	1	1	Rs.	68 per mensm.	16	6	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1</

Remarks.—The local police perform the duties of the military guard at the Sudder station in the treasury and gaol.
N.B.—The jumma ryots of Coorg hold their lands on a feudal tenure, and perform all the duties of police.

R. A. Cole, Captain, Superdt. of Coorg.

7 November 1866.

LOWER PROVINCES, including ASSAM.

STATEMENT showing the Strength and Cost of the POLICE FORCE of the LOWER PROVINCES, including ASSAM, as it stood on the 31st of December 1865.

1. Name of Presidency or Province.	2. From what Source paid.	3. Description of Force.	4. OFFICERS.						5. RANK AND FILE.										11. Proportion of Strength to Area.		12. Proportion of Cost to Area.					
			1. Description of Office, Number, and Rate of Pay.	2. Total Cost.	3. Europeans.	4. Hindoos.	5. Mahomedans.	6. Native Christians.	7. Others.	8. Total Cost.	9. Europeans.	10. Hindoos.	11. Mahomedans.	12. Native Christians.	13. Others.	14. Muskets.	15. Swords.	16. Spears.	17. Batons.	18. Expenses not included under Pay.	19. Grand Total of Strength.	20. Grand Total of Cost.	21. Population.	22. Area.	23. Population.	24. Area.
BENGAL PRE- SIDENCY, or the LOWER PROVINCES, including ASSAM.	Imperial Revenue.	Civil Police.	Sub-Inspectors, 877, viz. :— 11, at 80 rupees each ; 33, at 70 rupees each ; 37, at 60 rupees each ; 66, at 50 rupees each ; 129, at 40 rupees each ; 157, at 30 rupees each ; 174, at 20 rupees each ; and 270, at 25 rupees each, old scale.	Rs.	17,00,940	102	52	903	278	14	37															
			Inspectors, 450, viz. :— 4, at 250 rupees each ; 8, at 200 rupees each ; 14, at 150 rupees each ; 17, at 100 rupees each ; of the new scale ; 69, at 165 rupees each ; 95, at 115 rupees each ; 103, at 85 rupees each ; and 147, at 65 rupees each, old scale.																							
			Assistant Superintendents, 59, viz. :— 13, at 400 rupees each ; 16, at 300 rupees each ; and 30, at 250 rupees each.																							
			District Superintendents, 53, viz. :— 3, at 1,000 rupees each ; 8, at 800 rupees each ; 14, at 700 rupees each ; 12, at 600 rupees each ; and 16, at 500 rupees each.																							
			Deputy Inspectors General, 6, viz. :— 2, at 1,500 rupees each, and 4, at 1,200 rupees each.																							
			Inspector General, 2,500 ru- pees.																							
			Head Constables, 2,505, viz. :— 20, at 25 rupees each ; 97, at 20 rupees each ; 184, at 15 rupees each ; and 247, at 10 rupees each, new scale ; 365, at 14 rupees each ; 465, at 12 rupees each ; 500, at 10 rupees each ; and 747, at 9 rupees each of the old scale.																							
			Mounted Police, 181, at 38, 30, and 25 rupees. Constables, 23,215, viz. :— 117, at 9 rupees each ; 698, at 8 rupees each ; 2,132, at 7 rupees each ; and 1,682, at 6 rupees each, new scale ; 7,629, at 7 rupees each ; 10,967, at 6 rupees each ; and 29 Probation- ers, at Rs. 5. 12. of the old scale.	Rs.	22,21,404	4	15,719	7,657	109	2,382	Muskets, 1,098 1,994*															

CALCUTTA.

STATEMENT of the POLICE FORCE of the Town of CALCUTTA on the 31st day of December 1865.

1. NAME of PRESIDENCY or PROVINCE.	2. From what Source Paid.	3. Description of Force.	4. OFFICERS.									
			1. Description of Office.	2. Number.	3. Rate of Pay. Rs.	4. Total Cost. Rs.	5. Europeans.	6. Europeans.	7. Hindoes.	8. Mahomedans.	9. Native Christians.	10. Others.
CALCUTTA	Government -	Calcutta Police -	Superintendents - - - -	1 1 1 6 11 10 10 25 9 3 12 19 3 12 20	450 400 300 150 125 100 50 50 30 25 20 16 12 10	1,150 400 300 900 1,375 1,000 500 1,250 450 90 300 380 48 144 200	2 - - 4 7 9 10 - - - - - - - -	- - - 1 3 - - - - - - - - - -	- - - - - - - - 1 - - - - - - -	- - - - - - - - 8 3 7 7 1 4 11	- - - - - - - - - - - - - - -	1 1 1 - - - - - - - - - - - 4
			TOTAL - - -	143	-	7,787	57	4	37	41	-	4
	Public Contributions under Section 21, Act XIII. of 1865.	Additional Police Guard.	Superintendent - - - -	1	300	300	1	-	-	-	-	-
			Constables - - - -	11	50	550	11	-	-	-	-	-
			TOTAL - - -	12	-	850	12	-	-	-	-	-
	River Police -	Superintendent - - - -	Superintendent - - - -	1	350	350	1	-	-	-	-	-
			Second Class Inspector - - - -	1	125	125	1	-	-	-	-	-
			Third Class Inspectors - - - -	2	100	200	1	1	-	-	-	-
			Second Class Serjeant - - - -	1	25	25	-	-	-	1	-	-
			Third Class Serjeants - - - -	2	20	40	-	-	1	1	-	-
			First Class Corporals - - - -	2	16	32	-	-	-	2	-	-
			Second Class Corporals - - - -	4	12	48	-	-	1	3	-	-
			Third Class Corporals - - - -	6	10	60	-	-	4	2	-	-
			TOTAL - - -	19	-	880	3	1	6	5	-	-
	Government	GRAND TOTAL - - -	GRAND TOTAL - - -	174	-	9,517	-	-	-	-	-	-
		Presidency Gaoi	Third Class Inspector - - - -	1	100	100	1	-	-	-	-	-
			First Class Serjeant - - - -	1	30	30	-	-	1	-	-	-
			Second Class Serjeant - - - -	1	25	25	-	-	1	-	-	-
			Third Class Serjeant - - - -	1	20	20	-	-	-	1	-	-
			First Class Corporal - - - -	1	16	16	-	-	1	-	-	-
			Second Class Corporal - - - -	1	12	12	-	-	1	-	-	-
			Third Class Corporal - - - -	1	10	10	-	-	1	-	-	-
			TOTAL - - -	7	-	213	1	-	5	1	-	-
	Police Guard †	Second Class Inspectors - - - -	Second Class Inspectors - - - -	2	125	125	2	-	-	-	-	-
			Third Class Inspector - - - -	1	100	100	1	-	-	-	-	-
			First Class Serjeant - - - -	1	30	30	-	-	1	-	-	-
			Third Class Serjeants - - - -	2	20	40	-	-	-	2	-	-
			First Class Corporals - - - -	4	16	64	-	-	3	1	-	-
			Second Class Corporals - - - -	3	12	36	-	-	2	1	-	-
			Third Class Corporal - - - -	1	10	10	-	-	-	1	-	-
			TOTAL - - -	14	-	530	3	-	6	5	-	-

* Of this sum the monthly cost of house or thannah rent or barrack accommodation is 2,278 rupees. There is besides an allowance of 20,000 rupees quadrennially for the clothing of the men; the proportional monthly cost is 416 rupees. The Officers, European, and Natives find their own clothing. Rs. 144 are paid for menial servants at the Thannahs, and 168 rupees for keep of Sowar horses. The horses, as well as the cost of their keep are provided by Government.

SUBURBS OF CALCUTTA.

STATEMENT of the POLICE FORCE of the SUBURBS of CALCUTTA, on the 31st day of December 1865.

1. Name of Presidency or Province.	2. From what Source Paid.	3. Description of Force.	4. OFFICERS.				5. RANK AND FILE.												9. Population.	10. Area.	11. Proportion of Strength to		12. Proportion of Cost to							
			1. Description of Office.	2. Number.	3. Rate of Pay.	4. Total Cost.	5. Europeans.	6. Hindus.	7. Mahomedans.	8. Native Christians.	9. Others.	10. Muskets.	11. Swords.	12. Spears.	13. Batoons.	14. Expenditure not included under Pay.	15. Grand Total of Strength.	16. Grand Total Cost.												
																					Number according to Class.	Rate of Pay.		Total Cost.	Europeans.	Hindus.	Mahomedans.	Native Christians.	Others.	Muskets.
6. SUBURBS OF CALCUTTA.												17. Population.	18. Area.	19. One police to 18 square miles.	20. One police to 18 square miles.	21. 8 1/2 pie per head.	22. 371 7 4 per mile.													
General Re- venue.	Executive Police.	1. Superintendent -	2. Ditto -	3. Inspectors: First Class - Second Class - Third Class -	4. Darogahs -	5. Serjeants: First Class - Second Class - Third Class -	6. Corporals: First Class - Second Class - Third Class -	7. TOTAL -	8. Constables: 80 Second Class	9. Rate of Pay.	10. Total Cost.							11. Europeans.	12. Hindus.	13. Mahomedans.	14. Native Christians.	15. Others.	16. Muskets.	17. Swords.	18. Spears.	19. Batoons.	20. R.	21. R.	22. Grand Total of Strength.	23. Grand Total Cost.
												Suburban Municipality.	Executive Police.	1. Superintendent -	2. Ditto -	3. Inspectors: First Class - Second Class - Third Class -	4. Darogahs -													
Suburban Municipality.	Executive Police.	1. Superintendent -	2. Ditto -	3. Inspectors: First Class - Second Class - Third Class -	4. Darogahs -	5. Serjeants: First Class - Second Class - Third Class -	6. Corporals: First Class - Second Class - Third Class -	7. TOTAL -	8. Constables: 80 Second Class	9. Rate of Pay.	10. Total Cost.							11. Europeans.	12. Hindus.	13. Mahomedans.	14. Native Christians.	15. Others.	16. Muskets.	17. Swords.	18. Spears.	19. Batoons.	20. R.	21. R.	22. Grand Total of Strength.	23. Grand Total Cost.
												Suburban Municipality.	Executive Police.	1. Superintendent -	2. Ditto -	3. Inspectors: First Class - Second Class - Third Class -	4. Darogahs -													
Suburban Municipality.	Executive Police.	1. Superintendent -	2. Ditto -	3. Inspectors: First Class - Second Class - Third Class -	4. Darogahs -	5. Serjeants: First Class - Second Class - Third Class -	6. Corporals: First Class - Second Class - Third Class -	7. TOTAL -	8. Constables: 80 Second Class	9. Rate of Pay.	10. Total Cost.							11. Europeans.	12. Hindus.	13. Mahomedans.	14. Native Christians.	15. Others.	16. Muskets.	17. Swords.	18. Spears.	19. Batoons.	20. R.	21. R.	22. Grand Total of Strength.	23. Grand Total Cost.
												Suburban Municipality.	Executive Police.	1. Superintendent -	2. Ditto -	3. Inspectors: First Class - Second Class - Third Class -	4. Darogahs -													
Suburban Municipality.	Executive Police.	1. Superintendent -	2. Ditto -	3. Inspectors: First Class - Second Class - Third Class -	4. Darogahs -	5. Serjeants: First Class - Second Class - Third Class -	6. Corporals: First Class - Second Class - Third Class -	7. TOTAL -	8. Constables: 80 Second Class	9. Rate of Pay.	10. Total Cost.							11. Europeans.	12. Hindus.	13. Mahomedans.	14. Native Christians.	15. Others.	16. Muskets.	17. Swords.	18. Spears.	19. Batoons.	20. R.	21. R.	22. Grand Total of Strength.	23. Grand Total Cost.
												Suburban Municipality.	Executive Police.	1. Superintendent -	2. Ditto -	3. Inspectors: First Class - Second Class - Third Class -	4. Darogahs -													
Suburban Municipality.	Executive Police.	1. Superintendent -	2. Ditto -	3. Inspectors: First Class - Second Class - Third Class -	4. Darogahs -	5. Serjeants: First Class - Second Class - Third Class -	6. Corporals: First Class - Second Class - Third Class -	7. TOTAL -	8. Constables: 80 Second Class	9. Rate of Pay.	10. Total Cost.							11. Europeans.	12. Hindus.	13. Mahomedans.	14. Native Christians.	15. Others.	16. Muskets.	17. Swords.	18. Spears.	19. Batoons.	20. R.	21. R.	22. Grand Total of Strength.	23. Grand Total Cost.
												Suburban Municipality.	Executive Police.	1. Superintendent -	2. Ditto -	3. Inspectors: First Class - Second Class - Third Class -	4. Darogahs -													
Suburban Municipality.	Executive Police.	1. Superintendent -	2. Ditto -	3. Inspectors: First Class - Second Class - Third Class -	4. Darogahs -	5. Serjeants: First Class - Second Class - Third Class -	6. Corporals: First Class - Second Class - Third Class -	7. TOTAL -	8. Constables: 80 Second Class	9. Rate of Pay.	10. Total Cost.							11. Europeans.	12. Hindus.	13. Mahomedans.	14. Native Christians.	15. Others.	16. Muskets.	17. Swords.	18. Spears.	19. Batoons.	20. R.	21. R.	22. Grand Total of Strength.	23. Grand Total Cost.
												Suburban Municipality.	Executive Police.	1. Superintendent -	2. Ditto -	3. Inspectors: First Class - Second Class - Third Class -	4. Darogahs -													
Suburban Municipality.	Executive Police.	1. Superintendent -	2. Ditto -	3. Inspectors: First Class - Second Class - Third Class -	4. Darogahs -	5. Serjeants: First Class - Second Class - Third Class -	6. Corporals: First Class - Second Class - Third Class -	7. TOTAL -	8. Constables: 80 Second Class	9. Rate of Pay.	10. Total Cost.							11. Europeans.	12. Hindus.	13. Mahomedans.	14. Native Christians.	15. Others.	16. Muskets.	17. Swords.	18. Spears.	19. Batoons.	20. R.	21. R.	22. Grand Total of Strength.	23. Grand Total Cost.
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Suburban Municipality.	Executive Police.	1. Superintendent -	2. Ditto -	3. Inspectors: First Class - Second Class - Third Class -	4. Darogahs -	5. Serjeants: First Class - Second Class - Third Class -	6. Corporals: First Class - Second Class - Third Class -	7. TOTAL -	8. Constables: 80 Second Class	9. Rate of Pay.	10. Total Cost.							11. Europeans.	12. Hindus.	13. Mahomedans.	14. Native Christians.	15. Others.	16. Muskets.	17. Swords.	18. Spears.	19. Batoons.	20. R.	21. R.	22. Grand Total of Strength.	23. Grand Total Cost.
												Suburban Municipality.	Executive Police.	1. Superintendent -	2. Ditto -	3. Inspectors: First Class - Second Class - Third Class -	4. Darogahs -													
Suburban Municipality.	Executive Police.	1. Superintendent -	2. Ditto -	3. Inspectors: First Class - Second Class - Third Class -	4. Darogahs -	5. Serjeants: First Class - Second Class - Third Class -	6. Corporals: First Class - Second Class - Third Class -	7. TOTAL -	8. Constables: 80 Second Class	9. Rate of Pay.	10. Total Cost.							11. Europeans.	12. Hindus.	13. Mahomedans.	14. Native Christians.	15. Others.	16. Muskets.	17. Swords.	18. Spears.	19. Batoons.	20. R.	21. R.	22. Grand Total of Strength.	23. Grand Total Cost.
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Suburban Municipality.	Executive Police.	1. Superintendent -	2. Ditto -	3. Inspectors: First Class - Second Class - Third Class -	4. Darogahs -	5. Serjeants: First Class - Second Class - Third Class -	6. Corporals: First Class - Second Class - Third Class -	7. TOTAL -	8. Constables: 80 Second Class	9. Rate of Pay.	10. Total Cost.							11. Europeans.	12. Hindus.	13. Mahomedans.	14. Native Christians.	15. Others.	16. Muskets.	17. Swords.	18. Spears.	19. Batoons.	20. R.	21. R.	22. Grand Total of Strength.	23. Grand Total Cost.
												Suburban Municipality.	Executive Police.	1. Superintendent -	2. Ditto -	3. Inspectors: First Class - Second Class - Third Class -	4. Darogahs -													
Suburban Municipality.	Executive Police.	1. Superintendent -	2. Ditto -	3. Inspectors: First Class - Second Class - Third Class -	4. Darogahs -	5. Serjeants: First Class - Second Class - Third Class -	6. Corporals: First Class - Second Class - Third Class -	7. TOTAL -	8. Constables: 80 Second Class	9. Rate of Pay.	10. Total Cost.							11.<												

* This sum is the 1-12th of the annual cost of feeding police horses, tianmah rents, lighting tianmah, and proportionate cost of clothing, which is supplied once every four years.

† This is the one-half of the proportionate annual cost for clothing, which is supplied once in four years.

S. Hogg,
Commissioner of Police.

Calcutta, Police, Office,
14 February 1867.

NORTH WESTERN PROVINCES.

GENERAL STATEMENT of the POLICE FORCE in the NORTH WESTERN PROVINCES on the 31st day of December 1865.

1.	2.	3.	4. OFFICERS.							5. RANK AND FILE.													6.	7.	8.	9.	10.	11.		12.																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
			Description of Office.	Number.	Rate of Pay per Menssem.	Total Cost per Menssem.	4.	5.	6.	7.	8.	9.	Arms.				Population.	Area.	Proportion of Strength to	Population.	Area.	Proportion of Cost to																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																									
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Name of Presidency or Province.	From what Source Paid.	Description of Force.	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.	18.	19.	20.	21.	22.	23.	24.	25.	26.	27.	28.	29.	30.	31.	32.	33.	34.	35.	36.	37.	38.	39.	40.	41.	42.	43.	44.	45.	46.	47.	48.	49.	50.	51.	52.	53.	54.	55.	56.	57.	58.	59.	60.	61.	62.	63.	64.	65.	66.	67.	68.	69.	70.	71.	72.	73.	74.	75.	76.	77.	78.	79.	80.	81.	82.	83.	84.	85.	86.	87.	88.	89.	90.	91.	92.	93.	94.	95.	96.	97.	98.	99.	100.	101.	102.	103.	104.	105.	106.	107.	108.	109.	110.	111.	112.	113.	114.	115.	116.	117.	118.	119.	120.	121.	122.	123.	124.	125.	126.	127.	128.	129.	130.	131.	132.	133.	134.	135.	136.	137.	138.	139.	140.	141.	142.	143.	144.	145.	146.	147.	148.	149.	150.	151.	152.	153.	154.	155.	156.	157.	158.	159.	160.	161.	162.	163.	164.	165.	166.	167.	168.	169.	170.	171.	172.	173.	174.	175.	176.	177.	178.	179.	180.	181.	182.	183.	184.	185.	186.	187.	188.	189.	190.	191.	192.	193.	194.	195.	196.	197.	198.	199.	200.	201.	202.	203.	204.	205.	206.	207.	208.	209.	210.	211.	212.	213.	214.	215.	216.	217.	218.	219.	220.	221.	222.	223.	224.	225.	226.	227.	228.	229.	230.	231.	232.	233.	234.	235.	236.	237.	238.	239.	240.	241.	242.	243.	244.	245.	246.	247.	248.	249.	250.	251.	252.	253.	254.	255.	256.	257.	258.	259.	260.	261.	262.	263.	264.	265.	266.	267.	268.	269.	270.	271.	272.	273.	274.	275.	276.	277.	278.	279.	280.	281.	282.	283.	284.	285.	286.	287.	288.	289.	290.	291.	292.	293.	294.	295.	296.	297.	298.	299.	300.	301.	302.	303.	304.	305.	306.	307.	308.	309.	310.	311.	312.	313.	314.	315.	316.	317.	318.	319.	320.	321.	322.	323.	324.	325.	326.	327.	328.	329.	330.	331.	332.	333.	334.	335.	336.	337.	338.	339.	340.	341.	342.	343.	344.	345.	346.	347.	348.	349.	350.	351.	352.	353.	354.	355.	356.	357.	358.	359.	360.	361.	362.	363.	364.	365.	366.	367.	368.	369.	370.	371.	372.	373.	374.	375.	376.	377.	378.	379.	380.	381.	382.	383.	384.	385.	386.	387.	388.	389.	390.	391.	392.	393.	394.	395.	396.	397.	398.	399.	400.	401.	402.	403.	404.	405.	406.	407.	408.	409.	410.	411.	412.	413.	414.	415.	416.	417.	418.	419.	420.	421.	422.	423.	424.	425.	426.	427.	428.	429.	430.	431.	432.	433.	434.	435.	436.	437.	438.	439.	440.	441.	442.	443.	444.	445.	446.	447.	448.	449.	450.	451.	452.	453.	454.	455.	456.	457.	458.	459.	460.	461.	462.	463.	464.	465.	466.	467.	468.	469.	470.	471.	472.	473.	474.	475.	476.	477.	478.	479.	480.	481.	482.	483.	484.	485.	486.	487.	488.	489.	490.	491.	492.	493.	494.	495.	496.	497.	498.	499.	500.	501.	502.	503.	504.	505.	506.	507.	508.	509.	510.	511.	512.	513.	514.	515.	516.	517.	518.	519.	520.	521.	522.	523.	524.	525.	526.	527.	528.	529.	530.	531.	532.	533.	534.	535.	536.	537.	538.	539.	540.	541.	542.	543.	544.	545.	546.	547.	548.	549.	550.	551.	552.	553.	554.	555.	556.	557.	558.	559.	560.	561.	562.	563.	564.	565.	566.	567.	568.	569.	570.	571.	572.	573.	574.	575.	576.	577.	578.	579.	580.	581.	582.	583.	584.	585.	586.	587.	588.	589.	590.	591.	592.	593.	594.	595.	596.	597.	598.	599.	600.	601.	602.	603.	604.	605.	606.	607.	608.	609.	610.	611.	612.	613.	614.	615.	616.	617.	618.	619.	620.	621.	622.	623.	624.	625.	626.	627.	628.	629.	630.	631.	632.	633.	634.	635.	636.	637.	638.	639.	640.	641.	642.	643.	644.	645.	646.	647.	648.	649.	650.	651.	652.	653.	654.	655.	656.	657.	658.	659.	660.	661.	662.	663.	664.	665.	666.	667.	668.	669.	670.	671.	672.	673.	674.	675.	676.	677.	678.	679.	680.	681.	682.	683.	684.	685.	686.	687.	688.	689.	690.	691.	692.	693.	694.	695.	696.	697.	698.	699.	700.	701.	702.	703.	704.	705.	706.	707.	708.	709.	710.	711.	712.	713.	714.	715.	716.	717.	718.	719.	720.	721.	722.	723.	724.	725.	726.	727.	728.	729.	730.	731.	732.	733.	734.	735.	736.	737.	738.	739.	740.	741.	742.	743.	744.	745.	746.	747.	748.	749.	750.	751.	752.	753.	754.	755.	756.	757.	758.	759.	760.	761.	762.	763.	764.	765.	766.	767.	768.	769.	770.	771.	772.	773.	774.	775.	776.	777.	778.	779.	780.	781.	782.	783.	784.	785.	786.	787.	788.	789.	790.	791.	792.	793.	794.	795.	796.	797.	798.	799.	800.	801.	802.	803.	804.	805.	806.	807.	808.	809.	810.	811.	812.	813.	814.	815.	816.	817.	818.	819.	820.	821.	822.	823.	824.	825.	826.	827.	828.	829.	830.	831.	832.	833.	834.	835.	836.	837.	838.	839.	840.	841.	842.	843.	844.	845.	846.	847.	848.	849.	850.	851.	852.	853.	854.	855.	856.	857.	858.	859.	860.	861.	862.	863.	864.	865.	866.	867.	868.	869.	870.	871.	872.	873.	874.	875.	876.	877.	878.	879.	880.	881.	882.	883.	884.	885.	886.	887.	888.	889.	890.	891.	892.	893.	894.	895.	896.	897.	898.	899.	900.	901.	902.	903.	904.	905.	906.	907.	908.	909.	910.	911.	912.	913.	914.	915.	916.	917.	918.	919.	920.	921.	922.	923.	924.	925.	926.	927.	928.	929.	930.	931.	932.	933.	934.	935.	936.	937.	938.	939.	940.	941.	942.	943.	944.	945.	946.	947.	948.	949.	950.	951.	952.	953.	954.	955.	956.	957.	958.	959.	960.	961.	962.	963.	964.	965.	966.	967.	968.	969.	970.	971.	972.	973.	974.	975.	976.	977.	978.	979.	980.	981.	982.	983.	984.	985.	986.	987.	988.	989.	990.	991.	992.	993.	994.	995.	996.	997.	998.	999.	1000.	1001.	1002.	1003.	1004.	1005.	1006.	1007.	1008.	1009.	1010.	1011.	1012.	1013.	1014.	1015.	1016.	1017.	1018.	1019.	1020.	1021.	1022.	1023.	1024.	1025.	1026.	1027.	1028.	1029.	1030.	1031.	1032.	1033.	1034.	1035.	1036.	1037.	1038.	1039.	1040.	1041.	1042.	1043.	1044.	1045.	1046.	1047.	1048.	1049.	1050.	1051.	1052.	1053.	1054.	1055.	1056.	1057.	1058.	1059.	1060.	1061.	1062.	1063.	1064.	1065.	1066.	1067.	1068.	1069.	1070.	1071.	1072.	1073.	1074.	1075.	1076.	1077.	1078.	1079.	1080.	1081.	1082.	1083.	1084.	1085.	1086.	1087.	1088.	1089.	1090.	1091.	1092.	1093.	1094.	1095.	1096.	1097.	1098.	1099.	1100.	1101.	1102.	1103.	1104.	1105.	1106.	1107.	1108.	1109.	1110.	1111.	1112.	1113.	1114.	1115.	1116.	1117.	1118.	1119.	1120.	1121.	1122.	1123.	1124.	1125.	1126.	1127.	1128.	1129.	1130.	1131.	1132.	1133.	1134.	1135.	1136.	1137.	1138.	1139.	1140.	1141.	1142.	1143.	1144.	1145.	1146.	1147.	1148.	1149.	1150.	1151.	1152.	1153.	1154.	1155.	1156.	1157.	1158.	1159.	1160.	1161.	1162.	1163.	1164.	1165.	1166.	1167.	1168.	1169.	1170.	1171.	1172.	1173.	1174.	1175.	1176.	1177.	1178.	1179.	1180.	1181.	1182.	1183.	1184.	1185.	1186.	1187.	1188.	1189.	1190.	1191.	1192.	1193.	1194.	1195.	1196.	1197.	1198.	1199.	1200.	1201.	1202.	1203.	1204.	1205.	1206.	1207.	1208.	1209.	1210.	1211.	1212.	1213.	1214.	1215.	1216.	1217.	1218.	1219.	1220.	1221.	1222.	1223.	1224.	1225.	1226.	1227.	1228.	1229.	1230.	1231.	1232.	1233.	1234.	1235.	1236.	1237.	1238.	1239.	1240.	1241.	1242.	1243.	1244.	1245.	1246.	1247.	1248.	1249.	1250.	1251.	1252.	1253.	1254.	1255.	1256.	1257.	1258.	1259.	1260.	1261.	1262.	1263.	1264.	1265.	1266.	1267.	1268.	1269.	1270.	1271.	1272.	1273.	1274.	1275.	1276.	1277.	1278.	1279.	1280.	1281.	1282.	1283.	1284.	1285.	1286.	1287.	1288.	1289.	1290.	1291.	1292.	1293.	1294.	1295.	1296.	1297.	1298.	1299.	1300.	1301.	1302.	1303.	1304.	1305.	1306.	1307.	1308.	1309.	1310.	1311.	1312.	1313.	1314.	1315.	1316.	1317.	1318.	1319.	1320.	1321.	1322.	1323.	1324.	1325.	1326.	1327.	1328.	1329.	1330.	1331.	1332.	1333.	1334.	1335.	1336.	1337.	1338.	1339.	1340.	1341.	1342.	1343.	1344.	1345.	1346.	1347.	1348.	1349.	1350.	1351.	1352.	1353.	1354.	1355.	1356.	1357.	1358.	1359.	1360.	1361.	1362.	1363.	1364.	1365.	1366.	1367.	1368.	1369.	1370.	1371.	1372.	1373.	1374.	1375.	1376.	1377.	1378.	1379.	1380.	1381.	1382.	1383.	1384.	1385.	1386.	1387.	1388.	1389.	1390.	1391.	1392.	1393.	1394.	1395.	1396.	1397.	1398.	1399.	1400.	1401.	1402.	1403.	1404.	1405.	1406.	1407.	1408.	1409.	1410.	1411.	1412.	1413.	1414.	1415.	1416.	1417.	1418.	1419.	1420.	1421.	1422.	1423.	1424.	1425.	1426.	1427.	1428.	1429.	1430.	1431.	1432.	1433.	1434.	1435.	1436.	1437.	1438.	1439.	1440.	1441.	1442.	1443.	1444.	1445.	1446.	1447.	1448.	1449.	1450.	1451.	1452.	1453

(signed) C. A. Dodd, Lieutenant,
 Personal Assistant to Inspector General of Police, North Western Provinces.

Office of Inspector General of Police, North Western Provinces, Allahabad, }
 22 February 1867.

BOMBAY.

ABSTRACT STATEMENT of the POLICE FORCE in the BOMBAY PRESIDENCY, as it stood on the 31st December 1865.

1. Name of Presidency or Province.	2. From what Source Paid.	3. Description of Force.	4. Name of District.	OFFICERS.											RANK AND FILE.						ARMS.					25. Grand Total of Strength.	26. Grand Total of Cost Paid from Imperial Revenues.	27. Grand Total of Cost Paid by the Municipality.	28. Population.	29. Area. Sq. Mts.	Proportion of Strength to		Proportion of Cost to	
				5. Number.	6. Total Cost per Mensem.	7. Europeans.	8. Hindoo.	9. Mahomedans.	10. Native Christians.	11. Others.	12. Number.	13. Total Cost per Mensem.	14. Europeans.	15. Hindoo.	16. Mahomedans.	17. Native Christians.	18. Others.	19. Muskets, Carbines, and Pistols.	20. Swords.	21. Spears.	22. Baton.	30. Area.	31. Population.	32. Area.	33. Population.						34. Area.			
BOMBAY	Imperial Revenue.	Police	Bombay	150	11,603	45	69	33	1	2	1,850	15,848	1	1,006	283	1	-	-	-	-	1,350	7,526	1,500	4,900	20,971	816,562	21	1 Policeman to 344 inhabitants.	71 Policemen to 1 sq. mile.	Population.	Area.			
			Tanna	55	2,890	1	45	8	1	1	1,285	8,681	1	1,202	77	6	721	40	-	-	-	552	2,820	1,340	14,321	-	10,531,489	98,067	1 Policeman to 644 inhabitants.	1 Policeman to 644 inhabitants.	Population.	Area.		
			Khandeish	75	4,324	3	28	16	2	2	1,978	14,802	1	1,444	520	18	1,122	122	-	-	-	824	4,827	2,053	23,933	-	-	-	1 Policeman to 344 inhabitants.	71 Policemen to 1 sq. mile.	Population.	Area.		
			Surat	49	3,045	3	10	12	1	1	1,148	9,302	1	529	571	48	608	632	-	-	-	535	298	1,197	12,645	-	-	-	1 Policeman to 344 inhabitants.	71 Policemen to 1 sq. mile.	Population.	Area.		
			Kaira	29	1,603	1	10	12	1	1	902	6,901	1	608	284	11	708	225	-	-	-	375	6,040	931	14,036	-	-	-	1 Policeman to 344 inhabitants.	71 Policemen to 1 sq. mile.	Population.	Area.		
			Pinjra	21	2,430	3	10	12	1	1	1,428	12,000	1	643	152	5	132	393	57	-	-	-	201	380	1,469	15,201	-	-	-	1 Policeman to 344 inhabitants.	71 Policemen to 1 sq. mile.	Population.	Area.	
			Ahmedabad	41	2,212	3	15	1	1	1	818	5,107	1	1,264	225	5	332	930	57	-	-	-	1,222	1,041	1,683	15,416	-	-	-	1 Policeman to 644 inhabitants.	1 Policeman to 644 inhabitants.	Population.	Area.	
			Poonah and Sholapore	57	3,565	2	44	6	3	2	1,626	10,410	1	1,284	394	10	922	362	-	-	-	908	1,338	1,338	12,254	-	-	-	1 Policeman to 644 inhabitants.	1 Policeman to 644 inhabitants.	Population.	Area.		
			Ahmednuggur	54	2,800	2	44	6	3	2	1,583	8,946	1	1,284	394	10	922	362	-	-	-	908	1,338	1,338	12,254	-	-	-	1 Policeman to 644 inhabitants.	1 Policeman to 644 inhabitants.	Population.	Area.		
			Kulgahee	39	1,725	1	18	10	-	-	769	5,388	1	865	405	-	543	36	-	-	-	222	1,782	998	8,845	-	-	-	1 Policeman to 644 inhabitants.	1 Policeman to 644 inhabitants.	Population.	Area.		
			Runaagherry	35	1,700	1	18	10	-	-	931	5,890	1	865	405	-	543	36	-	-	-	222	1,782	998	8,845	-	-	-	1 Policeman to 644 inhabitants.	1 Policeman to 644 inhabitants.	Population.	Area.		
			Dharwar	32	1,725	1	18	10	-	-	725	5,040	1	865	405	-	543	36	-	-	-	222	1,782	998	8,845	-	-	-	1 Policeman to 644 inhabitants.	1 Policeman to 644 inhabitants.	Population.	Area.		
			Sattara	43	2,600	2	22	9	-	-	1,250	7,908	1	949	369	7	43	700	26	-	-	-	550	891	1,233	11,436	-	-	-	1 Policeman to 644 inhabitants.	1 Policeman to 644 inhabitants.	Population.	Area.	
			Belgaum	32	1,990	1	17	10	-	-	842	5,800	1	949	369	7	43	700	26	-	-	-	550	891	1,233	11,436	-	-	-	1 Policeman to 644 inhabitants.	1 Policeman to 644 inhabitants.	Population.	Area.	
			Canara	23	1,620	1	17	7	2	1	784	4,960	1	457	275	8	18	550	33	-	-	-	840	3,948	812	10,118	-	-	-	1 Policeman to 644 inhabitants.	1 Policeman to 644 inhabitants.	Population.	Area.	
			TOTAL	579	34,921	24	417	119	7	11	15,770	1,11,175	1	10,871	4,890	71	323	9,653	1,505	-	7,749	33,401	10,349	178,837	-	-	-	-	-	-	-	-	-	-
BOMBAY	Imperial Revenue.	Police	Kurrachee	34	2,620	2	7	24	-	-	1,048	16,351	10	442	585	-	11	737	841	-	510	277	1,082	15,643	3,603	1,594,650	272,986	11 1/2	1 Policeman to 131 inhabitants.	1 Policeman to 131 inhabitants.	Population.	Area.		
			Hydrabad	23	1,330	2	7	15	-	-	927	11,466	-	237	670	-	-	710	515	-	-	1,443	950	13,669	666	-	-	-	1 Policeman to 436 inhabitants.	1 Policeman to 436 inhabitants.	Population.	Area.		
			Shikarpore	25	1,635	2	3	20	-	-	923	11,266	-	107	720	-	-	744	528	-	-	2,051	548	10,480	142	-	-	-	1 Policeman to 436 inhabitants.	1 Policeman to 436 inhabitants.	Population.	Area.		
			Thur and Parkur	13	974	-	2	11	-	-	535	9,748	-	89	484	-	-	526	22	-	-	12	129	1,780	-	-	-	1 Policeman to 436 inhabitants.	1 Policeman to 436 inhabitants.	Population.	Area.			
			Upper Sind Frontier	-	-	-	-	-	-	-	120	1,768	-	5	124	-	-	116	125	-	-	-	-	-	-	-	-	1 Policeman to 436 inhabitants.	1 Policeman to 436 inhabitants.	Population.	Area.			
			TOTAL	95	6,565	5	19	70	1	3,402	50,589	10	900	2,589	-	23	2,833	2,031	-	-	-	510	3,783	3,657	56,086	4,901	-	-	-	-	-	-	-	
			Aden	3	100	-	-	-	-	-	133	1,310	-	-	-	-	113	-	-	-	-	124	250	130	1,660	-	-	-	11 1/2	1 Policeman to 151 inhabitants.	11 1/2	1 Policeman to 151 inhabitants.	Population.	Area.
			Add.—Guards em- ployed in the Koth State and on the Rann Salt Works, in the Ahmedabad District	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			GRAND TOTAL	827	52,579	74	1,505	222	8	17	20,815	1,78,932	11	12,927	7,434	72	371	12,396	3,536	-	9,738	45,020	21,696	241,970	34,972	12,963,355	371,083 1/2	1 Policeman to 598 inhabitants.	17 Policemen to 1 sq. mile.	Population.	Area.			

Rs.
Total Cost of Police paid from Imperial Revenues - - - 2,41,970
Total Cost of Police paid by the Municipality - - - 81,972

GRAND TOTAL Cost per Mensem - - - Rs. 2,76,942

EAST INDIA (POLICE FORCE).

GENERAL STATEMENT

OF THE

POLICE FORCE IN INDIA,

ON 31ST DECEMBER 1865.

(*Lord William Hay.*)

*Ordered, by The House of Commons, to be Printed,
23 May 1867.*

EAST INDIA (POLICE FORCE).

FURTHER RETURN to an Address of the Honourable The House of Commons,
dated 3 August 1866;—for,

A “GENERAL STATEMENT of the POLICE FORCE in *India* on the 31st day of
December 1865:—

1.	2.	3.	4.									5.				6.	7.	8.	9.	10.	11.		12.		Remarks.	
Name of Presidency or Province.	From what Source Paid.	Description of Force.	OFFICERS.									RANK AND FILE.				Expenditure not included under Pay.	Grand Total of Strength.	Grand Total Cost.	Population.	Area.	Proportion		Proportion			
			1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	Arms.								of		of			
			Number.	Rate of Pay.	Total Cost.	Europeans.	Eurasians.	Hindoo.	Mahomedans.	Native Christians.	Others.	Muskets.	Swords.	Spears.	Batons.						Strength		Cost			
																				to	to					

(So far as relates to the POLICE FORCE in the MADRAS PRESIDENCY.)

India Office, }
20 May 1867. }

H. L. ANDERSON,
Secretary, Judicial Department.

(Lord William Hay.)

Ordered, by The House of Commons, to be Printed,
24 June 1867.

STATEMENT OF THE POLICE FORCE IN THE

GENERAL STATEMENT of the POLICE FORCE in *India* on the 31st day of December 1865.

M A D R A S.

(JUDICIAL DEPARTMENT.—No. 1993.)

From A. J. Arbuthnot, Esq., Chief Secretary to the Government of Fort St. George, to the Secretary to the Government of India, Home Department.

Sir,

WITH reference to the instructions contained in the Judicial Despatch of the Right Honourable the Secretary of State, dated the 31st August last, No. 13, I am directed by the Governor in Council to forward to you, for transmission to the Home Government, the accompanying Statement of the cost and strength of the Police Force in the Madras Presidency, as they stood on the 31st December 1865. A copy of a letter from the Inspector General of Mofussil Police, explaining the character and constitution of the force under his control, is also submitted.

I have, &c.

Fort St. George, }
22 December 1866. }

From the Inspector General of Madras Police to the Chief Secretary to Government, Fort St. George; dated Madras, 28th November 1866, No. 1989.

WITH reference to my letter, dated 29th October 1866, No. 1781, and enclosure, I beg to submit the following explanation, for the information of Government, as the tabular form prescribed, for the Statement fails to show the true state of the police in this Presidency. The form is framed for a military, not a civil body, and cannot be adapted to the constitution of the Madras police. It is scarcely necessary to observe that here there is no such grade as "officers." The only officers of police are the superintendents and their assistants, who are commissioned officers of Her Majesty's Army. The inspectors of police have been entered in the Statement as officers, because there was nowhere else to put them. For the same reason, constables of all grades are shown as "rank and file," though that they are not. The form further includes many men who, for convenience sake, are paid from the police budget, but are employed on purely State services, and not on police duties.

2. The Madras police is constituted and worked on the model of the Metropolitan and English county constabulary, and any one who knows the constitution of county and borough police in England has before him the Madras police, both with respect to constitution and its departmental working.

3. In England and Wales, the proportion of police to population is about 1 to 906 (1864); in Ireland, 1 to 417.

	Number.	Cost.
		<i>Rs.</i>
Preventive establishments on French frontiers - - -	134	15,600
Salt Monopoly Preventive establishments - - -	1,157	1,49,700
At Convict establishments -	1,276	1,55,040
At Revenue treasuries -	1,450	1,48,370
TOTAL - - -	4,017	4,68,710

4. In the Statement submitted in the form prescribed, the force appears as 23,965 strong; but 4,017 men, at a cost of 4,68,710 rupees, are employed on purely State services, as per margin, such as are performed in Europe by the coast guard, revenue preventive and excise establishments, and, in the case of convict establishment, by gaol warders or military. These 4,017 men are in no way employed on the police or detective service of the country, and their cost ought properly to be charged on the several branches (Salt, Customs, &c.) of revenue, &c., in the service of which they are engaged.

N.B.—Inclusive of share of supervision and contingencies,

5. Excluding

5. Excluding these revenue, &c. services, the police proper of the Presidency is 19,948 strong, maintained at a total cost of 31,69,290 rupees (in 1865).

6. The proportion of police to the aggregate population is 1 to 1,214 inhabitants. In towns* the proportion is, of course, higher than in rural parts, where it is 1 to 1,270 inhabitants. In England, the * In rural parts - - 1 to 1,276.
In towns - - - 1 to 530.
statutable maximum ratio for rural constabulary is 1 to 1,000 inhabitants (2 & 3 Vict. c. 93, s. 1).

7. The proportion of police to the area is 1 to 7.1 square miles (including towns). Some of the best authorities have, I believe, considered one to four square miles as the most effective proportion for England.

8. The cost per head of the population is two annas, or 3 *d.* sterling per annum.

9. The whole of the treasure (amounting to several millions sterling) guard and escort duties, and all gaol work, which were formerly done by the native army, are now performed by the police. There is not a single military detachment away from regimental head quarters, nor a single sentry on duty over public property belonging to any civil department or prison throughout the Presidency. Twelve (12) regiments of native soldiery, besides veterans, were disbanded on the introduction of the police, and a substantial reduction in the aggregate number of peons, &c., in the public service was effected; all local and irregular armed and semi-military bodies (*Sibbundy*) likewise disappeared.

10. *Local Character.*—In its constitution the Madras police is strictly local. The constabulary of each district are raised, and serve exclusively within their native districts, and are never moved. In practice, a large proportion of the men are serving at police stations in their native taluqs, with no more intercourse between adjacent districts and taluqs than is required for the suppression and detection of crime.

11. *Castes and Races.*—In respect to the admixture of castes and races, the constabulary of each district is a fair sample of the native population of their respective districts. The large majority are Hindus. Where Mahomedans form a considerable proportion of the population, the number of Mahomedans (31 per cent. of the force) in the police is larger. Native Christians are met with where Christianity has made some progress amongst the better classes of the people.

12. The widest difference in respect of race, caste, and social position exists between the grades in the service. The inspectors are of a class entirely distinct from the constables; they do not rise “through the ranks,” but are of the same class as that from which the superior public servants of the country are drawn; they are all educated men; some highly so. Two-thirds of this grade are Hindus (about 21 per cent. are Brahmins); the others are Europeans and East Indians (30 per cent.), with a small proportion (7 per cent.) of Mahomedans. The same remark applies, in a great measure, to the head constables or station-house officers (and partly to their deputies), a large proportion of whom belong to the better classes. There are 687 Brahmins, and 625 Europeans and East Indians in these grades.

13. *Civil constitution.*—There is no military ingredient in the constitution of the civil police of this Presidency; no gradation of rank and command; no person in the position of native commandant. Police stations are formed at convenient localities, and small parties of 6 to 20 (the larger parties are only at the head quarters of a magistrate, at tahsildars’ offices and treasuries, &c.) constables are stationed at each according to the circumstances. At each station there is a station-house officer (head constable or his deputy). One inspector (or two in large ranges) supervises and inspects all the stations within the range of a taluq. A small reserve of 50 or 60 men is located at the district magistrate’s head quarters, where the superintendent likewise resides, for escort or other duty.

14. *Arms.*—The proper district allotment of arms is one carbine to every three men of the sanctioned force, and two swords. The Ganjam and Vizagapatam Hill Forces are rather more fully armed, to be available in cases of dis-

turbances in those wild countries: and State services require a somewhat larger proportion of arms in the hands of guards.

15. No man of the Madras police is armed in the sense of having arms of either kind assigned to him, or is habitually using or carrying either carbine or sword; each has a baton, which is the weapon he always carries. In most districts a larger proportion of the firearms is kept at the head station, where the guards over the treasuries, gaols, treasury escorts, &c., have to be more fully armed. At tahsildars' stations, where treasuries and local lock-ups require to be guarded, there are generally three or four carbines, and swords for about half the men, in case they are required. In smaller stations there are two or three swords and a single carbine, in case of dangerous prisoners being in confinement or the like. The allotment does not admit of all stations being furnished with a carbine.

16. Madras constables only carry arms while employed on special services at gaols, treasuries, and the like, and when patrolling salt swamps, mountain and forest passes, or roads infested by wild beasts and robbers. When out on night duty in rural parts they frequently carry a sword.

17. The degree of setting up and drill sought to be imparted to a Madras constable is much the same as is taught to the constable of the Metropolitan Police (London); but the attainments of the men are much less. Every Indian officer knows what must be the effect, in respect to drill and any military skill, of dispersing a number of men of the class of ordinary peons who have been a month on the drill ground, in parties of 6 to 20 men, to rural stations, where they are entirely employed on daily beat and detective duty. The military acquirements and efficiency of a Madras constable, save when under the eye of the superintendent at head station, are really, for all practical purposes, *nil*. He is a fair constable of the beat, can carry a carbine on guard over a treasure chest or gang of convicts, but not much more. As a military body, the force has not the discipline, the technical knowledge, the cohesion, or appliances to render it a dangerous body.

EAST INDIA (POLICE FORCE).

FURTHER RETURN.

GENERAL STATEMENT of the Police Force
in *India*, on 31st December 1865.

(So far as relates to the Police Force in the
MADRAS PRESIDENCY.)

(*Lord William Hay.*)

*Ordered, by The House of Commons, to be Printed,
24 June 1867.*

821
EAST INDIA (PROGRESS AND CONDITION).

S T A T E M E N T

OF THE

MORAL AND MATERIAL PROGRESS AND CONDITION

OF

I N D I A ,

FOR THE YEAR 1865-66.

(PRESENTED PURSUANT TO ACT OF PARLIAMENT.)

Ordered, by The House of Commons, to be Printed,
2 May 1867.

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S T A T E M E N T

SHOWING THE

MORAL AND MATERIAL PROGRESS OF INDIA, 1865-66.

I. REVENUE.

THE revenues and receipts of the year 1865-66 amounted to 48,935,220 *l.*, a sum exceeding those of the previous year by 3,282,323 *l.* Of this increase, 386,169 *l.* is due to improvement of the land revenue, 1,156,859 *l.* to opium, and 328,792 *l.* to miscellaneous receipts from public works; while the large amount of 1,841,303 *l.* under "Miscellaneous" is caused by a nominal entry made in order to adjust certain long-standing differences between the balances of some of the East India Company's loans, as shown in the books of the Government of India, and in the registers of the loan office, which the introduction of the new budget system has rendered it necessary to exhibit in the annual accounts. There is a loss of 589,576 *l.* in consequence of the expiration of the income tax, and of 181,435 *l.*, owing to a diminution of the sale of the Government salt in stock. The variations under the other headings do not call for special remark.

Unusually large remissions of the land revenue were rendered necessary LAND. in Bengal, one-half of which was the result of the damage done in the district of Midnapore during the cyclone of October 1864; but, in spite of this drawback, the receipts throughout the Lower Provinces showed a steady increase in the year 1865-66.

The scantiness and early cessation of the rains of 1865, however, followed by extreme heat in September and October, had a very injurious effect on the crops, and led to one of the most terrible famines experienced in India in recent years. The distress was exceedingly severe in Midnapore and some of the neighbouring districts of Bengal; but in Orissa, the sufferings resulting from the failure of the crops of 1865 were aggravated by heavy inundations which destroyed those of the following year. A commission has been appointed to inquire into the causes of the famine, the conduct of the relief operations, and the measures which it is desirable to adopt in order to prevent the recurrence of such a calamity. Its report has not yet been received.

The number of suits under the rent laws in Bengal, was larger than in any year since 1861-62. The only cause assigned for this unusual influx of business is that, possibly, the scarcity of food may have made it particularly difficult for landlords to collect their rents.

The circumstances connected with the sale of a tract of land in the Sunderbunds, of about 50,000 acres, to Mr. Schiller, were mentioned in the report* of last year. Shortly after sanction had been given to that sale, Mr. Schiller again came forward with his original plan for the formation of a Company to reclaim the whole of the Sunderbunds in the 24 Pergunnahs, Jessore, and Backergunge, from the River Mutlah to the Megna. The application has been complied with, on the condition that the land shall be held rent-free for 20 years, after which it will be liable to a gradually increasing assessment, reaching its maximum of about 9 *d.* an acre in the 51st year; one-eighth must be cleared in 10, one-fourth in 20, and one-half in 40 years; but resumption, in case of non-clearance, will take effect on each lot separately, as defined in the survey,

* Lords' Paper 188, and Commons' Paper 374, of 1866, page 8.

and not on the whole area; redemption may at any time be effected at the established scale of rates, subject to the fulfilment of the clearance conditions.

In February 1866, the Lieutenant Governor of Bengal, who was at that time making a tour in Orissa, finding that the zemindars and ryots were under an apprehension that, if they obtained water for their land from the East India Irrigation Company, their assessment would be raised at the termination of the existing 30 years' settlement, took the opportunity, when delivering an address at Cuttack, to state that, while it was not the desire or intention of the Government to benefit directly in any way by the sale or use of the water supplied by the Company, it would be unreasonable to suppose that there should be no increase in the rent which the ryots had to pay to the zemindars, or in the revenue paid by the zemindars to the Government.

This declaration was unfortunately accepted by both classes as an intimation that the assessment of lands benefited by the canal was likely to be raised, independently of any payment to be demanded as water-rate, and they, one and all, refused to have any dealings with the Company.

To remove this misunderstanding, a proclamation was issued in August, stating that lands receiving irrigation from the Company's canals would, in any future settlement, be treated precisely in the same manner as lands not receiving irrigation, the payment for the water being the sole charge to which those who took it could on that account be subjected.

This proclamation was, however, of little more effect than the previous declaration, and in September there were but 195 acres under irrigation, while the Company were ready to supply water sufficient for an area of from 70,000 to 100,000 acres.

The subject being brought to the notice of the Secretary of State by the Irrigation Company, Lord Cranborne addressed a Despatch to the Government of India on the 15th of December 1866, in which he, in the first instance, desired to be informed how far the present condition of Orissa would warrant a permanent settlement on the terms already laid down.* The Despatch proceeded to point out that the proclamation of the Bengal Government was ambiguous, and did not make sufficiently clear what was apparently the Lieutenant Governor's intention, namely, the enunciation of the correct principle that lands receiving water from the canals would be dealt with in precisely the same manner as others to which the irrigation was made equally accessible, but the owners of which might decline to avail themselves of the advantage.

In stating the view of Her Majesty's Government, Lord Cranborne observed that it would be perfectly right and equitable, in any settlement of the Province of Orissa, to claim as Government revenue, there as elsewhere, one-half of the improved rental which, without touching the rate payable for the actual use of the water, would be demanded by the zemindar as a consequence simply of the proximity of the land to the canal. In the present depressed condition of the Province, however, the Secretary of State considered that it might be the more expedient course to proclaim that the existing settlement should remain in force, without alteration, for any term, not exceeding 30 years, which it might appear to the Government of India to be desirable to fix, with the view of regaining, by such an announcement, the confidence of the people of Orissa.

In accordance with this view, the Government of India have determined to continue the existing settlement for a further term of 20 years.

The rainfall of 1865 in the North Western Provinces was below the average, and the season was on the whole unfavourable, especially in the Allahabad and Benares Divisions, where the harvest was scanty. The collection of the land revenue was not, however, materially affected by the high prices and partial distress.

In the sale of estates confiscated for failure to pay the assessment, the prices realised have averaged 20 $\frac{1}{2}$ years' purchase of the Government demand, a proof, apparently, of the popularity with which the projected measures for a permanent settlement are viewed by the people.

At the foot of the Kumaon Hills is a waterless forest named the Bhabur, under the superintendence of the Commissioner of Kumaon, who, by a judicious scheme of irrigation, which is now nearly completed, has brought this once desolate tract into a condition in which its extended cultivation will be of great advantage in providing for the increasing population, and will give a large additional revenue on the expiration of the current settlement.

Considerable

* See Report of 1864-65, pages 5 and 6.

Considerable progress has been made during the past year with the revision of the summary assessment in Oude, the net increase to the revenue in the districts in which the operations are completed being about 25 per cent.

It was mentioned in the last Report* that an inquiry had been instituted into the respective rights of the talookdars of Oude and their tenants. After the subject had been under discussion for about two years, an arrangement was determined on, which appeared to be as fair to all parties as the peculiar circumstances of the Province would admit, and likely to have gained the cordial approval of Earl Canning.

* Page 10.

As regards sub-settlements, the basis upon which the opposing claims of the two classes has been adjusted is, that the State shall make some sacrifice of its ordinary and legitimate dues, in favour of the talookdars, wherever, under the rules of assessment hitherto in force in such cases, an inadequate profit would have been left to the sub-proprietors; and that the talookdars shall resign a proportion of their rental equal to that given up by the State, or allow a moderate maintenance to the excluded sub-proprietors, in the shape of land to be held rent-free or on light rent rates, in lieu of all further claims of a proprietary nature in the soil.

In consideration of the advantage accruing to them from this settlement, the talookdars have voluntarily consented to make certain important concessions in respect of tenant right. They have agreed to recognise the right of occupancy on beneficial terms in a large body of the ex-proprietary class, tillers of the lands once owned by themselves or their ancestors. This concession, involving the interests of such cultivators as have settled hamlets, reclaimed wastes, or added by improvements to the selling value of their fields, will embrace, in the aggregate, a large body of the cultivators of the province, and of those classes especially which claim most strongly the sympathy of the British Government. The liberal policy thus inaugurated by the talookdars themselves will, in the long-run, redound to their own interests by the important impetus to the improvement of their estates which will follow the acquisition by the ryots of a better title, while it will tend to the contentment and comfort of the cultivators.

The satisfactory conclusion to which questions of so complicated a character have thus been brought is partly owing to the ability and judgment of the Government officers in Oude, and partly to the enlightened behaviour of the talookdars, and, in particular, Maharajah Maun Singh.

In Mooltan, Dera Ghazee Khan and Dera Ismail Khan the rainfall was so scanty in 1865-6 as to cause serious loss of cattle, and more or less distress among the agricultural population; but in other parts of the Punjab the landed interests flourished, in consequence of the high prices of agricultural products, and the large demand for grain which was caused by the scarcity in Bengal and Cabul.

Wheat was selling at higher prices in Lahore, Mooltan, and Umritsur than even when the famine was raging in the North Western Provinces, the increased rates being due in part to the greater demand, and in part to the opening out of new markets, by means of the Punjab Railway, and the improved routes to Sind and Bombay.

In the Central Provinces the revised assessment of the land-tax, for periods of 20 or 30 years, is now about four-fifths completed. Of the 10 most important districts, the work in five is finished, and in the other five it is expected to be accomplished in the course of the current year. The result of the revision, up to the present time, has been an increase of six per cent. on the whole amount of the land revenue; but even in Chutteesghur, where the rate has been raised 25 or 30 per cent., the tax is only 8*d.* per cultivated acre.

Advances of money, repayable by instalments without interest, have been made, in 152 instances, to landholders requiring the means of executing works of agricultural improvement, the recipients also spending considerable sums on the same works from their own resources; and the punctuality with which the instalments are repaid shows that they fully estimate the advantages conferred upon them.

The demarcation of waste lands is almost accomplished, and in every district there are valuable State properties, ranging from 300,000 to 700,000 acres, which are available for purchase under the waste-land rules, for occupation on clearance leases, or for rent as pasture farms. Registers are from time to time published in the local "Gazette," giving all details as to the soil, water supply,

natural products, climate, and rainfall, and proximity to markets or high roads. About 19,000 acres have been sold during the past year, making the total extent purchased up to the present time 51,000 acres; and, with the exception of one lot in Belaspore, the sale of which, on account of the insalubrity of the neighbourhood, was sanctioned at the rate of 6*d.* an acre, the average price realised has been 5*s.* 1*d.* per acre, or a little above the maximum upset price in the most cultivated districts. The great majority of the purchasers are natives of the Central Provinces.

Clearance leases for small tracts of land, each comprising not less than 100 acres, have been granted, in order to induce the gradual reclamation of the waste; the conditions are, a rent-free tenure for three years, a payment of 3*d.* an acre for the next seven, and 6*d.* for the next 10 years, after which the land will be liable to assessment in the usual manner, the lessee engaging to break up six per cent. of his grant every three years, until the cultivated portion reaches 30 per cent., and the property becoming his own when 40 per cent. has been brought under tillage.

Although the rainfall was equal to the average in the Central Provinces, it ceased before the end of August; and the consequence was, that the only abundant harvest of the year was yielded by the rice crops of Chutteesghur and the Wyne Gunga Valley. Of the other crops, some were tolerably good, and some very poor; but, though there were cases of individual distress, there was no approach to general want; and, the price of produce and rate of wages continuing to rise, the class which seemed to suffer the most was that of the subordinate Government officers and petty pensioners. The inability of Chutteesghur to send its usual convoys of grain to Nagpore, which was, therefore, compelled to draw its supplies from Jubbulpore, caused a great change in the internal trade of the Central Provinces. Food was, however, largely exported to the distressed districts of Behar and Orissa; and a constant interchange of commodities occurred with Berar and Candeish. Prices have risen so much that wheat and rice, which last year ranged from 12 to 16 seers (24 to 32 lbs.) for the rupee, can now only be purchased at 8 to 10 seers for that money, and in some places the price is even higher. It is remarkable how well the generality of the people are enabled to bear up against this increase of cost; and it is a common observation amongst the natives that the dearth of provisions, which 20 years ago would have excited riots in the towns and strewn the roads with the dying, is now scarcely noticed by the majority of the population.

The continued prosperity of the people in the Assigned Districts of Hyderabad was evinced by the ease with which the revenue was collected; and the high prices have produced no injurious effect upon the labouring classes, as their wages have increased in proportion.

The year 1865-66 was very disastrous to the agricultural community of British Burmah, owing to a murrain among their cattle, of which it is estimated that not less than 100,000 head died between November 1864 and April 1866, causing a direct loss of half a million sterling to the owners. In spite of this, however, the area of land under cultivation increased by some 50,000 acres; and an addition of 10,000 *l.* was made to the land revenue, after allowing for the remission of about 3,000 *l.* on account of the destruction of the rice crop by inundations in certain places. The surplus produce of rice exported was about 454,000 tons.

The Presidency of Madras suffered from excessive drought; but, nevertheless, the land revenue increased, furnishing a remarkable proof of the general prosperity, and the stability of the resources of this portion of India. The chief articles of food, however, cost from 40 to 50 per cent. more than they did five years ago.

The object of the Inam Commission was mentioned in the Report of last year.* Its out-door work has been finished, and the result is an addition of 150,600 *l.* to the annual revenue of the Government, the whole cost of the Commission since its appointment in 1859 having been only 94,412 *l.*, while the number of titles examined is 381,435, and upwards of 560,000 cases have been decided by the Deputy Collectors.

In the revised settlement which is being carried out in Madras, the revenue to be paid to the Government is fixed at one-half of the net produce; and in the re-assessment of the Godavery district, which was completed in the year under report, particular care has been taken that this proportion should not be exceeded

exceeded. Wherever the new rates are considerably above those previously levied, they will be introduced gradually, at the discretion of the Settlement Officer.

In the northern division of the Bombay Presidency the rains commenced late, but the heavy showers which fell early in November proved of immense benefit, and the crops generally yielded well. The southern districts, however, were not equally prosperous; in Dharwar the failure of the harvest was serious; and in the Kulladghee and Rutnagherry Collectorates it was found necessary to provide special employment for the lower class of labourers in making roads, the want of which was much felt. In the last-named district the people have suffered much, in consequence of three successive bad seasons; and their state of distress was aggravated by the peculiar system of collecting the revenue, the assessment of a large class of cultivators consisting of a certain proportion of their crop, commutable into a money payment, calculated according to the state of the grain market, thus being most heavy when the price of food was at the highest rate. A new system of survey and assessment has been commenced, and it is hoped that this measure and the construction of roads will greatly improve the condition of the people.

The settlement of terminable inams, a scheme for which was sanctioned in the previous year,* has been completed in the southern division of the Presidency, and the annual income derived by the Government from the measure is upwards of 3,600*l*. * Report for 1864-65, page 14.

In the Southern Mahratta Collectorates, the Government villages have for some years been brought under the survey settlement, and recently several holders of inams and jageers have requested that their estates also might be surveyed, they being at liberty to adopt or reject the rates, in the latter case paying the expenses of the survey; in case of adopting them, they guarantee those rates to their ryots, to whom they concede all the advantages of proprietary right which are ensured to the ryots in Government villages by the Survey Act. Under this arrangement the jageerdars secure a certain, and in most cases an increased revenue; and the people are preserved from arbitrary increase of taxation, or ejectment from their lands if they decline to submit to the terms imposed. In one instance, a chief, who had hitherto never succeeded in obtaining more than 6,646*l*. from his estate, has had his revenue raised to 8,500*l*., and, while the former sum was only realized with considerable dissatisfaction to a large portion of his ryots, the revised assessment is placed on the land without reference to the position or influence of the ryot holding it, and the people appear to be completely satisfied. There is the additional advantage in these settlements that the people hold their title and tenure, which is a more secure one than they ever possessed before, direct from the British Government, a circumstance which cannot but increase their affection towards it, and give them an immediate interest in its stability.

In North Canara 41 villages have been settled, with the result of nearly doubling the revenue, and with an entire absence of complaint. In cases where the occupancy of waste land, subject to the payment of the assessment, was put up to auction, in consequence of there being more than one applicant, the average price fetched was nearly twelve times the total of the survey assessment.

Survey operations have been prosecuted with success in Khandeish, Gujerat, and Sind; and a survey of the town and island of Bombay is also being made by the Trigonometrical and Revenue Survey Departments. In the latter case considerable difficulties have been experienced, but they have been so successfully overcome, by the adoption of a conciliatory manner towards the native householders, and precautionary measures on the part of the officer charged with the conduct of the operations, that not a single complaint has been made against the department.

In order that the experience gained in the last few years respecting the management of forests in India may not be lost, and that the administration of that department may not be entirely dependent on the few officers who now devote their attention to the subject, three persons, who have already received a practical training in France, Germany, or Scotland, have been appointed to the service in India, and measures have been taken for educating young men

in the Government institutions on the Continent, where they will acquire a greater knowledge of forestry than can be obtained in this country.

Considerable progress has been made, in the year under review, in introducing a sound system of conservancy into the forests of British Sikkim; and rules have been drawn up, defining those which are to be reserved from sale under the waste land regulations, and providing for their demarcation and exclusive management on behalf of the Government.

A scheme is now under consideration for the preservation of forest land in Jhansi, where the destruction of the trees has been going on for centuries, and the scarcity of shade appears to have intensified the parching nature of the climate, which dries up the water so much needed by the cultivator.

The attention of the landholders in Oude has been directed to the plantation of trees for fuel, in order to provide for the wants of the new railway from Lucknow to Cawnpore.

The price of fuel in the Punjab has greatly increased in consequence of the demand caused by the traffic on the railroad. Experimental plantations, which now cover an area of 2,500 acres, are being formed for the supply of firewood, and the operations will be extended. The desirability of planting the ground on either side of the railway, to the westward of Delhi, has been urged by the Home Government on the consideration of the Governor General in Council.

In the Central Provinces a large tract, on the southern slopes of the Sautpoora Hills, has been divided into three parts, which are to be worked in turn for the supply of timber and firewood, an arrangement calculated to meet the demands of the most populous part of those Provinces, at reasonable rates.

The practice adopted by the hill tribes of cutting the trees and burning the brushwood, throwing their seed on the land so cleared, and, after reaping the crop, passing on to another place, is being gradually checked, and in some cases has almost ceased.

The natives of the forest tracts in British Burmah, both Karens and Shans, seem inclined to enter into planting operations; and clearings have been made in the Tharawaddy and Sittang divisions, with the view of forming plantations of young teak.

Good progress was made in 1865-66 with the teak nurseries in the Madras Presidency; and many valuable forest trees, which have been introduced from Australia, are thriving beyond expectation. The villagers in all the districts have been stimulated to raise groves, and in some parts very favourable results have attended the exertions of the Government officers. Nurseries for young trees are in process of formation in all the districts, and endeavours have been made, with fair success, to plant the sandy tracts along the sea-shore with the casuarina.

The conservancy of the forests in Coorg has now for the first time been placed under a special department, and they are found to contain much valuable timber of teak and other trees.

The superiority, on moral considerations, of the new system,* under which the duty on spirits is now collected, has been especially exemplified in the Central Provinces, among the Gonds and other hill tribes, who used to be notorious drunkards. Instead of roaming about from year to year, they are in some cases settling down into permanent habitations, and beginning to acquire property; and the women are heard to attribute this change to the new system of excise, saying that formerly their husbands could get drunk for 1 *d.* or 2 *d.*, and the liquor shop was almost at their doors, while now no man can do so under 6 *d.*, and he would have to go some little distance to get liquor at all.

The Income Tax Act expired on the 31st of July 1865, and was therefore in force for only one quarter of the year under report, during which the receipts amounted to 671,900 *l.*

Some interesting statistics of its working in the North Western Provinces have been compiled, from which it appears that, in a population of 30 millions,

38,847

ABKAREE.

* See Report of
1864-65, page 18.

INCOME TAX.

38,847 persons were subjected to the tax. In only 2,795 cases was any necessity found in the last year for changing the previous assessment; but the proportion of correct returns by the taxpayers themselves was less than six per cent., and the amount of surcharge was 282 per cent. The number of persons whose incomes exceeded 500 *l.*, excluding those drawing official salaries, fell from 1906 in 1863-64 to 1626 in 1865-66. Of the whole population, 44 per cent. have incomes under 70 *l.*, while 83 per cent. have less than 170 *l.* a year. Omitting public servants, the tax on whose incomes produced 13 per cent. of the whole assessment, the three largest classes of contributors were bankers or money-lenders, who paid rather more than one-third, agriculturists, from whom 24 per cent., and retail dealers, from whom nine per cent. of the total amount was levied. The average annual yield of a one per cent. duty on incomes above 50 *l.* per annum has been found to be a little more than 55,000 *l.*

A report submitted by the Income Tax Commission, of the working of the Act for four years in the island of Bombay, shows that, at any rate in the Presidency towns, this is by no means a difficult mode of taxation. The assessment in the first year amounted to only 92,500 *l.*, when the rate was at four per cent.; but in 1864-65, although the tax had in the meantime been reduced to three per cent., the realisations amounted to about 240,000 *l.* The unexampled prosperity of the community in the latter year, no doubt, contributed largely to this result; but a great deal was due to the improved means of ascertaining what was really the amount assessable, and to the taxpayers having become better acquainted with the obligations imposed upon them.

The Customs tariff has been recently revised by a committee appointed for the purpose, and their recommendations have, in most instances, been adopted by the Government. The classification has been improved by the adoption of the English method of enumerating certain articles which are to pay duty, and declaring all others exempt, instead of specifying those which shall be free, and leaving everything else subject to duty, by which change a number of petty and vexatious charges are swept away. The number of articles to be taxed is greatly reduced, 40 headings being removed from the list of imports liable to the duty, leaving 65 classes chargeable, and the 88 articles which formerly paid export duty being reduced to nine classes. In one point the Government have gone beyond the recommendations of the committee, by exempting machinery from duty on importation. CUSTOMS.

To meet the loss of revenue thus occasioned, the export duty on grain has been raised from two to three annas (threepence to fourpence halfpenny) a maund of 82 lbs.; and the import duty on champagnes, and the more costly sparkling wines, has been increased from 2 *s.* to 2 *s.* 6 *d.* the gallon.

In the Statement of the Progress of India in 1864-65,* the determination of the Government to sell its stock of salt by public auction was mentioned, and it had been intended to bring forward 1,500,000 maunds for sale during 1865-66. At the two sales, however, in July and November 1865, it was found practicable to dispose of only 525,000 maunds, although the upset price was fixed as low as possible with reference to the cost of Liverpool salt. It has therefore been decided to revert to the plan of sale at fixed rates, but after due notice materially to reduce those rates, the Government reserving to itself the right, in case of a falling-off in the importations, to raise the prices, after advertising for a reasonable period its intention to do so. SALT.

In the North Western Provinces there has been a very large increase in the revenue derived from salt, in consequence of the revival of commercial confidence among the Native merchants, and the diversion of the capital of speculators from hazardous investments in cotton to the safe, though at times less lucrative, trade in salt. * Page 21.

The duty on Berar salt crossing the Customs line of the Central Provinces was raised in 1865-66 to 6 *s.* a maund, at which rate the Rajpootana salt has long been taxed.

II. FINANCE.

The expenditure in India and England rose, in 1865-66, from 45,846,418 *l.* to 46,169,152 *l.*, showing an increase of 322,734 *l.* The principal headings under which the charges of 1865-66 exceed those of the previous year are the Army, the cost of which is 414,945 *l.* more than 1864-65; Expenses RECEIPTS AND DISBURSEMENTS.

of Public Departments, on which the excess is 528,961 *l.*; Miscellaneous, where an increase of 870,218 *l.* is due to the adjustment of the loan accounts already mentioned under the head of Revenue; and Home Charges, which have risen by 684,519 *l.*, chiefly owing to the entry of stores under this heading, instead of as hitherto in the Indian expenditure. The cost of collecting the revenue has decreased by 628,037 *l.*, mainly in consequence of advances having been made to a less extent to the cultivators of opium; and the guaranteed interest paid to railway companies has been reduced by no less than 1,524,754 *l.*, in consequence of an exceptional credit on account of arrears of traffic earnings at Bombay. The other variations between the two years are of minor importance.

On reviewing the income and expenditure during 1865-66, the result is satisfactory, there being a surplus of 2,766,068 *l.* (of which, however, considerably above one million sterling is exceptional or merely a matter of account), in place of the deficit of 193,521 *l.* shown in 1864-65.

INCREASE OF ESTABLISHMENTS.

During the year 1866, various measures have been sanctioned by the Home Government, which, while calculated to improve the administration of the judicial and other executive departments, undoubtedly tend to increase the civil charges very materially. In order to remove the inconvenience caused by the great difference that existed between the salaries of officers employed in the civil administration of the Punjab and Oude, and those in Bengal and the North-Western Provinces, a revision was effected, by which the position of the officers in the Punjab and Oude Commissions was improved, and some of the higher appointments in the revenue branch of the administration in Bengal and the North-Western Provinces were either altogether abolished, or paid at a lower rate than had previously been the case. An increase has been authorized of the pay of the judges belonging to the Bengal Uncovenanted Service, who were considered to be inadequately remunerated, with reference to the important part taken by them in the judicial administration of the country; and the salaries of the ministerial officers of the judicial and revenue courts throughout the Bengal Presidency have been raised, as difficulty was found in obtaining men of the necessary standard of qualifications, on whose integrity reliance could be placed, to undertake the duties. A revision has also been made of the allowances drawn by the officers employed in the Central Provinces, Ajmere and Jhansi. The additional burden thrown on the revenues of India by these several measures is upwards of 170,000 *l.* per annum.

DEBT.

In order to effect various improvements of great public utility at Bombay, the Government of India sanctioned the gradual sale of certain land, the proceeds of which were intended to defray the expenditure which had to be incurred. Owing, however, to the depressed state of trade in that city, which followed the speculations of the previous year, the receipts were found likely to fall short of the estimate by about 600,000 *l.*; and, as some of the works were of so urgent a nature that they could not be postponed, it was decided to obtain the money by the issue of Government debentures, the total amount of which should not exceed the above-mentioned sum, bearing interest at five per cent. per annum, and repayable at par in the proportions of 100,000 *l.* in 1868, 200,000 *l.* in 1869, and the remaining 300,000 *l.* in 1870.

ACCOUNTS.

An alteration has been made in the official year, which will henceforward terminate in India, as in England, on the 31st of March.

CURRENCY.

The value of the currency notes in circulation has reached to upwards of ten millions sterling. It was found that the amount rose during the prevalence of distrust in the money market, when notes were preferred to bills for purposes of remittance, and that it gradually fell on the restoration of confidence. Indications are not wanting, however, that the notes are by degrees becoming valued by the native population. During the religious fair held at Allahabad, the pilgrims tendered for cash a considerable number of notes of other circles, many of which had been issued at Bombay; and the talookdars of Oude prefer them to coin for keeping in their houses. The experience of their circulation in the city of Bombay appears to show that the most perfect feeling of confidence exists in the Presidency town as to their value, and that similar confidence might be extended throughout the country, if greater facilities could be afforded for converting them into cash.

The Commission which was appointed last year to consider the monetary system of India has made a report, which has been published in the "Gazette of

of India ;" but the views of the Supreme Government in the matter have not yet been forwarded to this country.

Some instances having occurred of forgery or alteration of the amount of the notes, new forms have been adopted which have been so prepared as to make such tampering with the currency paper as difficult as possible, without immediate discovery. The value of the note is now printed in English and in four of the vernacular languages, and the size or position of the medallion on which the amount is shown varies according to the value, so that persons who are unable to read may be able easily to detect an imposition in the case of a note of inferior amount being paid to them. The old notes will be gradually withdrawn from circulation, as they are received in the Government Treasuries.

The money-order system continues to make steady progress in the public favour; and, while the number of orders issued has increased, the average value of each order has decreased, showing that the main object of affording to the people the means of safely and economically transmitting small sums of money from one station to another has been attained, without encroaching upon the general exchange operations of the country, or the legitimate business of banking firms. The measure has proved so successful in the Lower Provinces of Bengal, that the experiment has been extended to the rest of India.

The question is under consideration, whether postal savings banks may not be established, and persons be enabled to insure their lives, and purchase Government annuities, through the Post Office, as in this country.

MONEY ORDERS.

III. PUBLIC WORKS.

On the East Indian Railway, the bridge over the Jumna at Delhi has been completed during the last year, and passengers and goods are now forwarded from Howrah (opposite Calcutta) into Delhi, a distance of 1,019 miles, without a break, the trains being timed not to occupy more than 50 hours on the journey.

RAILWAYS.

The completion of the chord line to Luckieseraï is being urged forward as fast as possible, and it is hoped that by the 1st of January 1869 the double line will be completed between Howrah and Dinapore. Maharajah Joy Mungul Sing, K. C. S. I., and his brother, Baboo Mohindro Narain Sing, have granted, as a free gift, all the land within the limits of their estates which is required for the new line.

The influence of the scarcity of food in the eastern portion of Bengal was manifested in a diminution of the receipts from native passengers on the lines of rail passing through the suffering districts.

A guarantee of five per cent. per annum has been offered to the Indian Branch Railway Company, for the construction of so much of their projected Oude and Rohilcund Railways, as shall consist of a main line from Buxar, on the East India Railway to Moradabad, or such other point in Rohilcund as may be determined upon, with branches to Benares, Cawnpore, Fyzabad, and the foot of the hills near Nynee Tal. The works on the line from Lucknow to Cawnpore were vigorously prosecuted during the year, and it was expected that the railway would be opened on the 15th of April 1867.

The merchants of Umritsur and Lahore were not slow to avail themselves of the facilities for transporting their wares afforded to them by the opening of the Punjab Railway; and it was found necessary to organize special trains for the conveyance of the large quantity of goods brought to the stations at those towns; indeed, at one time the owners consented to have their cotton and other inflammable articles forwarded, at their own risk, in open trucks; and it is satisfactory to find that in only two instances, of a trifling character, did any loss by fire occur.

The Nagpore branch of the Great Indian Peninsula Railway has been completed, and it was opened for public traffic on the 20th of February 1867.

On the Great Southern of India Railway also an addition was made on the 3rd of December 1866, to the length of open line, by the commencement of traffic between Trichinopoly and Caroor, a distance of 47 miles.

A short extension of the Bombay, Baroda, and Central India Railway has been sanctioned, from Ahmedabad to the opposite bank of the Sabarmuttee river. The additional length of rail is only a little over two miles, but it is

hoped that the conveyance of the line across the river may facilitate the opening of the rich tracts lying to the north-west of Ahmedabad.

A survey of the country between Baroda and Neemuch has been authorised, but nothing further is settled respecting the construction of a line of rail between those places. If such a measure be determined on, this railway would form an important link between Bombay and the Upper Provinces of the Bengal Presidency.

The traffic in the immediate neighbourhood of Bombay is gradually increasing, as the suburbs become populated by clerks in public offices and other persons of moderate incomes, who are unable to afford the high charges for rent in the city.

The Back Bay Reclamation Company having been compelled by the effects of the financial panic to suspend operations, the Government of Bombay have been directed to adopt measures for providing the land required for the extension of the Baroda Railway to Colaba, either by themselves continuing the work or by making it over to the Railway Company.

* Page 31.

The expectation which was expressed in the Report * of last year, that the traffic receipts might exceed the amount required to pay the guaranteed five per cent. interest, was realised in the case of both the Great Indian Peninsula and the East Indian Railways, in the first half of the year 1866; and the surplus profits were, accordingly, divided between the Government and the shareholders, according to the terms of the contracts.

In 1864 the attention of the Boards of the several Railway Companies was directed to the sanitary condition of the stations, and to the measures which were required for the better accommodation of the native passengers, who form the great bulk of the railway travellers, as well as for their protection from ill-treatment by the subordinate railway officials. Considerable improvement has been effected in these respects; more strict attention is paid to the cleanliness of the station rooms and carriages, and to the prevention of overcrowding; and buildings, furnished with wells, are being erected for the comfort of native passengers, the cost being defrayed by private individuals, by contributions from local funds, or, where these sources fail, by grants from the Government. The question of the best mode of providing appropriate accommodation for Native ladies of rank is under consideration.

A Bill is being prepared, in communication with the several Railway Boards, for the consolidation and amendment of the laws relating to railways in India.

A new system of audit has been introduced, which it is hoped will work efficiently, with very little additional expense, either to the Railway Companies or the Government.

Allusion has already been made to the instructions which have been issued with regard to the means of meeting the increasing demands for fuel for railway purposes. It has been suggested by the Secretary of State that planting operations should be continued on an extensive scale for several years, until the proportion of about 20 acres of plantation for each mile of railway is attained; and that this should be especially carried out in the reh or barren lands in the neighbourhood of the Ganges and other irrigation canals, where trees of certain kinds will grow, though nothing else thrives there.

The Salt Range coal, after two years' trial on the Punjab Railway, has been found unfit for the purpose; and, as the expense of transporting it is twice as great as that of wood, and the heating power is only one-third superior, its use has been for the present abandoned.

TELEGRAPHS.

The Select Committee of the House of Commons, which was appointed in 1866 to inquire into the practical working of the present system of communications between England and the East Indies, made a report on the 20th of July, in which, as regards the telegraph, they stated that messages for India are forwarded by one of two principal alternative routes, the one through Turkey, the other through Russia. On its way to Constantinople, a message may be dealt with by the French, Belgian, Dutch, Prussian, Austrian, Bavarian, Minor German, Italian, Servian, or Wallachian administrations; and thence through the Turkish, and sometimes also the Persian systems, it reaches the Persian Gulf line, which is under the control of the Government of India. The alternative route, in a similar manner, involves dependence on the Dutch, Prussian, Russian, and Persian administrations, before the telegram comes into the hands

hands of any officer responsible to the British Government. Thus there is much difficulty in tracing the cause of delays in the transmission, and imperfections in the rendering, of messages, and the public are rarely successful in obtaining compensation for any disappointment in consequence.

The submarine line, through the Persian Gulf to Kurrachee, with an alternative land line between that port and Gwadel, on the Mekran coast, has worked admirably.

The numerous complaints which had been made against the working of the line were, in the opinion of the Committee, attributable to two causes,—the imperfect administration of the Turkish system, and the neglect of the authorities in India to make adequate provision at Kurrachee for the immense amount of business which resulted from the opening of the line to Europe. The imperfection of the service through Turkey did not seem to be greater than was to have been anticipated from the introduction of a method of communication so novel to the habits of the people; and there appeared no reason to doubt that, by reserving one wire at least for messages to and from the East, by employing an adequate number of European officers and signallers well acquainted with the English language, and by careful attention to the condition of the line, the service might in time become satisfactory in its working.

With regard to the telegraphs in India, the defects were, in the opinion of the Director General, to be ascribed, in a great measure, to the circumstance that the officers of the Department were underpaid, and that little progress had been made in the thorough re-construction of the lines, which were hastily erected, in place of those destroyed during the mutiny. Great improvement had, however, taken place in the working, and efficacious measures were adopted for the establishment of a second wire from Kurrachee to the internal system of India, and otherwise to redeem that part of the service from the reproach cast upon it.

After alluding to the various schemes for constructing alternative lines of telegraph to the East, the Committee concluded by recording their opinion that it is not expedient to depend upon any single line or system, in the hands of several Governments, and that the establishment of separate lines, entirely or partially independent of the present one through Turkey, is desirable. They therefore recommended that means should be taken to improve the lines connecting the Persian system with Europe, by way of Georgia, and to bring within the Turkish convention the line recently established through Syria, for connecting Alexandria with the main line to India at Diarbekir; that the communication by way of the Persian Gulf should be doubled, either by the laying of a second submarine cable, or by continuing the land line from Gwadel to Bunder Abbas and Ispahan; and that serious consideration should be given to a proposition which had been made for the establishment of a direct communication between Alexandria and Bombay, by way of Aden, on the principle of a line practically under one management and responsibility, between London and India, to be afterwards extended to China and the Australian Colonies.

With regard to the lines in India, the Committee recommended that the Government should sanction the use of the wires of the several railway companies by a public company willing to rent the privilege on equitable terms, or that such an organisation should be made of the various independent companies as would establish unity of system, and bring the lines fairly within the reach of the public.

Negotiations were in progress at the time the Committee made its report, for the construction of the line to which they referred, through Bunder Abbas, Kirman, and Yezd, to Ispahan; and Colonel Goldsmid has since been deputed to Persia to give his assistance in the matter. Sanction has also been given for the erection of a second wire on the existing Persian route. The Indo-European cable is said to be capable of carrying three times the traffic of the year under review, without increasing the cost of management.

Much of the difficulty hitherto found in maintaining the telegraphic communication with British Burmah, through the forests of Arracan, and across the hills, has been overcome; but that which arises from the unhealthy nature of the district will long remain. Telegrams have occasionally reached Rangoon in one hour from Calcutta, and in 48 hours from England, but regularity in the transmission is still wanting.

Early in the year 1866, a scheme was forwarded by the Government of India,

which received the approval of the Home Government, for re-organising the Electric Telegraph Department in India, with a view to improving its efficiency; the increase of salaries amounted to 45,000 *l.* per annum; but it was anticipated by the Director General that it would be more than covered by the augmentation of the traffic, which was annually increasing at the rate of 30 per cent., and might be expected to be further promoted by the revised tariff of charges and amended administration.

Three years' experience of open competitive examinations for the purpose of recruiting the staff of the Telegraph Department in India has shown conclusively that such a plan cannot be relied on; and, on the concurrent recommendation of the Director General of Telegraphs and the professor who conducted the examination in 1866, it was determined, as an experiment, to nominate to the Department a certain number of young men who, after passing a preliminary examination in the subjects comprised in an ordinary liberal education, should be sent, for 6 or 12 months, to such a college as that at Glasgow or the London University, to be trained in the branches of physics directly applicable to electric telegraphy, and then, before being sent to India, should be placed for a few months under a leading telegraph engineer, to learn the practical construction of lines, testing of cables, &c.

CANALS, &c.

The length of the distributing channels of the Ganges Canal was extended during the year 1865-66 by 229 miles, and the gross income was 36 per cent. higher than in 1864-65, and 75 per cent. higher than in 1863-64. This improvement is partly owing to the further development of the system of distributing channels and irrigation, and partly to complete immunity from accident and consequent stoppage; but it arises chiefly from the introduction of enhanced water rates, varying according to the class of crop. These discriminating rates have been sanctioned as a temporary measure; but the desirability has been pointed out of adopting throughout India a system of charging by contract, or, still better, by volume of water, which would obviate the expense to the Government, and the annoyance to the cultivator, which is inseparable from the practice of detailed measurements of land or crops.

Major General Sir Arthur Cotton having taken exception to Major Crofton's scheme for remodelling the Ganges Canal, and urged that a new head below the junction of the Solani with the Ganges should be adopted in preference, a Committee of civil and military engineers, selected in such a manner as to ensure impartiality, was appointed to consider the project; and they came to the conclusion that, with some modifications in detail, Major Crofton's plan should be carried into effect, and that, in addition, a new canal should be constructed from the Jumna below Delhi. Sir Arthur Cotton's plan, they stated, would be much more expensive than the scheme for remodelling the existing canal; but an additional amount of water for irrigation might be thereby obtained, at a cost which would not be so high as to render it impossible to carry out the work with advantage at some future day.

The Government of India have approved both of the scheme for re-modelling the canal and of the construction of the new canal from the Jumna, for which the surveys are to be at once undertaken. There is strong ground for hoping that the re-modelling works can be carried on without any interruption of the irrigation, which is spreading gradually, and obtaining the appreciation and confidence of the people; and the extension of the distributing channels is, therefore, to be proceeded with as rapidly as the wants of the irrigation may seem to require. It is not certain whether a permanent dam on the Ganges at the head-works above Hurdwar is absolutely necessary; but instructions have been given for at least completing the plans of the work without delay.

The state of the Ganges Canal is reported to be greatly improved, although the supply of water available at the head is short of what was originally expected: still, the canal is able to carry the whole of it without serious injury, and, indeed, so well, that doubts have been felt of the necessity for re-modelling it. The net receipts, *excluding enhancement of land revenue*, have reached $3\frac{1}{2}$ per cent. on the capital outlay; and, with the extension of the irrigation, and greater economy in the use of the water, there seems to be no reason to doubt the ultimate financial success of this great work. If the estimate formed by the Committee respecting the enhanced land revenue be correct, the canal is already paying five per cent. on the capital laid out; but the Government will

will not accept any statement of the total income, until the detailed return of increased revenue due to the canal, which is now being prepared by the Revenue Settlement officers, is completed.

Although the distribution channels of the Eastern Jumna Canal are, in consequence of the amalgamation of some minor lines, six miles shorter than in the preceding year, there is an increase of 30 per cent. in the receipts, owing to the increased rates for the water; and the improvement is nearly 68 per cent., when the comparison is made with 1863-64.

The income derived from the Rohilcund canals, on the other hand, has fallen off, a result which is attributable in part to damage done to the works, and partly to the frequent showers of rain in the cold season, which rendered the cultivators independent of artificial irrigation.

In replying to a proposition of the Government of India to raise a loan for the rapid extension of irrigation works, the firm conviction previously expressed by Sir Charles Wood of the advantage of those works, and his fixed determination to prosecute them as rapidly as possible, was referred to by Lord Cranborne; who added that, looking upon such a course of action as of vital importance to the progress of India, he would willingly sanction any well-considered proposals which might tend to promote that object. The only conditions required in regard to the works were, that none should be undertaken till the estimates were thoroughly matured, that there should be a reasonable ground for expecting them to prove remunerative, and that they should be executed with a due regard to economy.

With regard to the question whether such works should be undertaken by the Government or entrusted to a private company, Lord Cranborne informed the Government of India that no general rule could be devised for ever-varying circumstances, and that the proper course would be to decide upon the question of agency, according to the merits of the particular case. If the project appeared likely to be executed more rapidly or more satisfactorily by a company than by the State, a company might be entrusted with it; whereas, if no company equal to the undertaking presented itself, or there were special objections to the intervention of a company in the particular instance, or if the Government had sufficient means readily available, Government agency would naturally be preferred. The great obstacle in the way of employing private agency was the difficulty of fixing the water rent, so as to bear any determinate ratio to the increased fertility conferred upon the land by irrigation; and the best way of overcoming this difficulty would be to abandon any attempt to fix such a ratio, and to proportion the profit to be looked for by the company, and consequently the maximum price chargeable to the cultivators, to the cost of supplying the water, not to the increased return which the cultivator might, by means of the water, contrive to extract from the land.

Subsequently, the Government of India forwarded their budget estimate of expenditure for 1867-68, in which they made provision for an allotment of about 700,000*l.*, or double the sum spent in the previous year, for irrigation works. Sanction was accordingly given to the raising of a loan for this amount, in the event of the cash balances proving insufficient to defray the charge.

The progress of the East India Irrigation Company in the year 1865-66 was less than had been anticipated, but a great deal of work was done, and in a very satisfactory manner; and the Lieutenant Governor of Bengal, who visited the works in February 1866, was well pleased with the result of his inspection.

As the Company were unable, for want of funds, to avail themselves of the large amount of labour placed at their disposal by the distress arising from the famine, the Government of India granted a loan of 10,000 *l.* to the Company's Agent, as the readiest means of applying the money to the relief of the population.

While the Irrigation Company were hesitating whether or not to undertake the construction of the works projected for the Soane Canal scheme, the Government of India were desired to lose no time in maturing plans for immediate action, in the event of the Company being unable to comply with the terms of their agreement. A proposal was subsequently made by the Agent for the execution of the works within the limit originally laid down in the proposition of Colonel Dickens; but, in so doing, he assumed it as "an undeniable fact," that it was only to this Company that the extension of the scheme could be hereafter committed. This claim on the part of the Company was at once

repudiated by the Government ; and the proposal was only accepted on the faith of their intending to act fully up to the spirit of the contract, and to carry out the works with proper speed. Unless, therefore, the detailed plans were submitted by the 1st of October 1867, and a proper staff and funds were provided to admit of the work being carried on at a due rate of speed, the Government would, the agent was informed, consider that the contract had been violated, and would undertake the project by the agency of its own officers. Under no circumstances, it was added, must the Company expect to be aided in the way of loan or credit by the Government.

An application for a guarantee of interest on their outlay was afterwards made by the Company, and was refused, the Government being prepared to execute the work without their agency.

The attention of the Madras Government has been specially called to the wants of the Salem and North Arcot districts, where it is said that great natural resources exist, requiring only a moderate outlay to bring into cultivation large tracts now lying waste, and where an improved system of dams in the river valleys might store much water which now flows away uselessly to the sea.

At the beginning of November 1866, it was determined to depute an officer to report on the systems of irrigation in force in the more important localities in India where it is practised, with the view of submitting for common adoption a general method, which should exhibit financial results and relative economy of working and management, and at the same time be susceptible of application to local circumstances. For this duty selection was made of Colonel Strachey, formerly Secretary to the Government of India in the Public Works Department, and that officer has recently been appointed Inspector General of Irrigation Works throughout India.

With the view of relieving the traffic on the Circular Canal at Calcutta, a project has been sanctioned for continuing and opening into the Hooghly the new canal, which will then become the through channel to the eastward.

Important operations were carried on in 1865-66 in the Upper Indus, by the clearing of the channels and construction of dams to control the current.

The Pyne Kyun Creek Canal, between the Pegu and Sittang rivers, was completed in June 1865, and with the exception of a few days in each month of the dry season, has been navigable during the year.

GENERAL WORKS.

The Department of Public Works in Bengal had many impediments to contend with in the year 1865-66. On the one hand, the necessity for repairing the buildings, and still more the embankments, which were damaged by the cyclone of October 1864, was urgent ; and, on the other hand, the loss of life and the private demands arising from the destruction of property on that occasion, rendered labour very scarce, while the Bhootan war drew off a large number of skilled officers from the ordinary departmental works. The local funds were, at the same time, seriously diminished by the cessation of the income-tax, one-fourth of the proceeds of which has been, since its institution, devoted to the construction of roads and other works likely to be beneficial to the district in which the money was raised.

The scarcity felt throughout the country, more particularly in Orissa, where, however, it had not then attained the proportions to which it subsequently rose, demanded special attention ; and grants of money were made without stint, in order to provide work for the distressed population.

The principal military works undertaken in Bengal during 1865-66 were the enlargement of the cartridge and percussion cap factory at Dumdum, and the remodelling of the gunpowder factory at Ishapore. The dockyard at Kidderpore, to which considerable damage was done by the cyclone, is being entirely remodelled, in order to place it on an efficient footing ; but some years must elapse before the buildings will be completed.

Among civil works may be mentioned some important buildings, which are being constructed at the Presidency city ; the new High Court and the combined Telegraph and Post Offices are in course of erection, and plans have been approved for an Imperial Museum and for the Calcutta University. Great additions have been made to the Mint, by which its efficiency will be materially increased.

In order that no delay might occur in building a new Sailors' Home, which was much needed, the Government granted a site on the Strand Bank, and advanced money for the edifice, on the security of the present building, so that the inmates will not be deprived of its shelter until the new house is ready for their reception.

The residents in the neighbourhood of the maidan, or park, in Calcutta, will derive much benefit from a scheme which has been carried into execution, for draining that spot and lighting it with gas.

The great sea dyke in Southern Hidgellee, which, so far as it had been constructed, proved strong enough to withstand the force of the cyclone, has been completed to a further length of 26 miles; and only six miles now remain to finish the whole work, which will extend for a distance of 55 miles altogether.

The importance of the trunk road through Cuttack, having been recognised by the Government, and the work put in hand in 1865, the progress during the year under review has been very great, owing to the employment thereon of vast numbers of labourers for whom the famine rendered it necessary to provide a subsistence.

In Assam the works on the main road have been much retarded by the natural difficulties attendant on its construction through a deeply-flooded country, as well as by the unhealthiness of the climate and scarcity of labour, much of which has to be imported from a distance.

Hindrances of a similar character have also been experienced on the Ganges and Darjeeling road; but the upper portion has for some time been open for traffic, and it is anticipated that carts will be able to pass throughout the entire length before the rains of 1867.

In the port of Canning, the bank of the Mutlah has for some time been subject to serious injury from erosion; and in April 1866 the railway jetty suddenly gave way, and the other piers sank. A Committee was accordingly appointed to inquire into the matter, and suggest the measures they might deem necessary for the protection of the port. In consequence, however, of the great costliness of the sea wall, the construction of which was recommended by the Committee, application was made to Mr. Leonard, the engineer whose propositions for the improvement of the Hooghly were mentioned in the Report* * Page 43. of last year. The plans of that gentleman are based on a very moderate estimate, and there is reason to hope that these works, which are being carried out by the Port Canning Company, in conjunction with the municipality, will suffice for the preservation of the foreshore.

In the North-Western Provinces a double-storied barrack has been completed for the artillery at Agra, and progress is being made with the new barracks at Allahabad and Gwalior. The principal civil buildings in course of erection are the public offices at Allahabad, and the memorial church at Cawnpore. A further section of the Agra and Bombay Road has been opened for traffic, and that between Roorkee and Dehra is nearly finished.

The system of executing the works by contract has been introduced in several of the divisions, and, though the success which has attended it appears to be mainly due to the strict supervision of the Government officers, a perseverance in it appears likely to cause more work to be done at less expense than before.

In the Punjab, barracks are about to be erected at Rawul Pindee for two entire regiments of European Infantry, and the concentration of an ordnance magazine and place of refuge has been ordered.

Sanction has been given to an expenditure of about 535,000*l.* for the concentration of the cantonment at Peshawur, the object of the works being to protect it against predatory attacks, to relieve the garrison from irksome guard duty, and to overawe the city.

An outlay of 180,000*l.* has also been approved on the formation of a fortified post at Mooltan, in connexion with the cantonment and railway station.

At Jubbulpore barracks for three companies and a large regimental hospital are completed, and progress is being made with those at Saugor. Steps have been taken for the erection of a new Ordnance Dépôt at Kamptee, with a view to the removal thither of the establishments of the old arsenal at Seetabuldee.

The important subject of providing roads in Berar and Central India has especially engaged the attention of the Government, and schemes have been sanctioned for meeting the wants of the country as rapidly as possible, con-

sideration being, in the first instance, given to the means of making the roads fairly passable for carts, by throwing bridges over the minor streams and water-courses which intersect the country.

A project is in preparation for fortifying the port of Rangoon, the defences of which are not at present adequate to protect the town and shipping from vessels armed and constructed on modern principles.

The chief point worth mentioning in connexion with the progress of roads in the Madras Presidency during the year 1865-66, is an outlay of 16,000*l.* on the passes through the Ghauts in Coimbatore and Malabar, for the conveyance of the coffee crop to the seaboard. Operations are also in progress in the Koondah and Neilgherry Hills, where the number of coffee and chinchona plantations is increasing.

The receipts from the district road fund continue to increase steadily, and the expenditure of the sums thus raised is yearly exercising a most beneficial effect in developing the resources of the country.

The state of the roads in Coorg has received special attention, particularly as regards the preservation and reconstruction of those already in existence, which were unfit to bear the largely increased traffic to which the growing prosperity of the province has given rise.

In the Bombay Presidency sanction has been given to the formation of a very important road from the railway at Belgaum to the coast at Vingorla, the estimated expenditure on which is as much as 114,600*l.* owing to the necessity for numerous bridges over the drainage channels on the Western Ghaut, where the rainfall is remarkably heavy.

The chief outlay upon new roads, in the year under report, took place on that from Dhoolia to Challisgaum in Khandeish, of which about 42 miles was nearly finished, on the road between Gogo and Dhundooka, in Ahmedabad, which is approaching completion, a sum of 20,000*l.* having been spent in 1865-66, and on the eastern boulevard in the city of Bombay.

The wharf wall at Carwar has been completed to a length of 897 feet, and affords more than ample accommodation for the present wants of the port; but, with all its facilities for landing and shipping goods, Carwar does not yet show any signs of commercial activity, Coompta being still adhered to by the native merchants. Further work on the wharf wall has been stopped, as it will be time enough when the trade is drawn to the spot, to finish it, as originally intended, to the length of 1,800 feet.

The light on the Oyster Rock at Carwar was exhibited, for the first time, on the 26th of March 1866; it is placed 213 feet above the level of the sea, and should be visible at a distance of 30 miles. Other lighthouses were erected during 1865-66 at Cocanada, in the Godavery district, and on one of the Coco Islands (the light of which was exhibited for the first time on the 15th of February 1867); and lighthouses are also being constructed on the Baragway Flat, in the Gulf of Martaban, and on Oyster Keef, near the Port of Akyab.

The sum granted for Public Works in the Budget Estimate for 1865-66 was 5,888,640*l.*, and that for 1866-67 is 6,874,800*l.* Of the latter amount, 2,000,000*l.* was reserved for military buildings, chiefly new barracks; 762,000*l.* is devoted to civil buildings; and upwards of two millions and a quarter is to be laid out on agricultural works, communications, and other public improvements. Of the remainder, about 1,100,000*l.* is spent on establishment, tools, and plant, and 414,000*l.* is required for the guaranteed interest to the Railway and Irrigation Companies.

MINES.

It has been determined at once to throw open the coal fields of Assam to private enterprise, and to grant mining leases on the following conditions: upon receipt of an application, the fact will be advertised for a month, and, if any other be made within that time, the lease will be put up to sale by public auction; no grant is to exceed in area one square mile; all grants will at first be rent-free, but, on completion of the survey and demarcation, an annual surface rent of 9*d.* an acre will be levied; and, if *bond fide* mining operations are not commenced within three years, or if they at any time cease for a period of five years, the right in the land will be forfeited.

The grant of a perpetual lease of five plots of land in the Sonthal Pergunnahs, which contain coal, has been authorised on the same terms.

In the Central Provinces, coal has been found in 11 different places in the Pench Valley; with a thickness of good coal in the seam varying from 3 to 124 feet.

feet. The angle of dip is everywhere very small, from 3 to 10 degrees; and the quality and depth of most of the seams are supposed to be constant, at all events over considerable areas.

The Burwai Iron Works, in Nimar, were advertised for sale, but no offers were received; and they will be made over, at a fair valuation, to Maharajah Holkar, with the territory north of the Nerbudda, which is about to be transferred to his Highness.

IV. LEGISLATION.

Several Acts of considerable importance to the commercial community have been passed during the year 1866, by the Council of the Governor General for making Laws and Regulations. Act X., for the incorporation, regulation, and winding-up of trading companies and other associations, renders to joint-stock companies trading in India the same service which was afforded to such companies in England by the Companies Act of 1862. Following the English statute, it has collected into one Act the law relating to Indian joint-stock companies, the members of which are thus enabled to ascertain their rights and liabilities at all stages of their existence.

An Act to amend the law of partnership in India (No. XV.) was also based on a recent English statute, and was intended to have the advantages of the French system of commanditarian partnership, without being hampered with the minuteness of the rules on which that system is founded. It provides that the loan of money to a person engaged in trade, on a written contract that the lender shall receive a rate of interest varying with the profits, or a share of the profits of the trade, shall not, of itself, constitute the lender a partner in the undertaking. Thus, without discrediting the general principle of unlimited liability between partners, it enables a merchant who wishes to retire from the business, leaving a certain sum of money in the undertaking, to do so without risking more than the amount which he is prepared to stake, instead of rendering his whole property dependent on the discretion of a partner whom he may never have seen. This measure will, it is hoped, counteract the tendency which existed, although mitigated by private arrangements, for a retiring partner to withdraw his capital from the business, while, the public being ignorant of the fact, the credit and operations of the firm remained as before, a tendency which was especially dangerous in a country like India, where a change of partners is extraordinarily frequent.

Another instance of the Indian law following the course of English legislation occurred in the passing of Act V. of 1866, to provide a summary procedure on bills of exchange, and amend in certain respects the commercial law of British India. The object of the first part of this measure is to carry out to the full the theory of negotiable instruments, and to render their transfer as easy and effectual as that of current coin. It allows the holder of a bill of exchange or promissory note to commence a suit in the High Court for the recovery of the money within six months of the time when it becomes due, and prohibits the defendant from putting in an appearance unless, within seven days of the summons, he obtain leave from the judge to do so, such permission being only granted on his paying into court the amount mentioned in the summons, or on an affidavit disclosing a defence on the merits of the case. The defendant will thus be forced to swear to the nature of his real defence; and the burden of proving the dishonour of the bill will not fall upon the plaintiff, unless the defendant's case is that no dishonour has taken place.

Besides this, the chief provisions of this Act are, that the consideration for a guarantee is not necessarily to be shown in writing; that a guarantee to or for a firm is to cease upon a change in the firm, unless otherwise provided; that the acceptance of a bill, whether inland or foreign, shall be in writing; that all bills drawn and payable in British India, shall be deemed inland bills, whether drawn on another Presidency or not; and that protest of a bill by a notary public, in any part of India, shall be *prima facie* evidence that the bill has been dishonoured.

An Act, No. XXI. of 1866, legalises, under certain circumstances, the dissolution of marriages of Native converts to Christianity, who may be deserted or repudiated, on religious grounds, by their wives or husbands. In the case of

such a desertion for the space of six months, a suit may be brought for conjugal society; the respondent will be interrogated by the Judge, either privately or publicly (and, if necessary, by means of Commissioners who may be females); and, if the true reason for the desertion appears to be the petitioner's change of religion, the case will be adjourned for a year, in the course of which the husband and wife will have an interview, in the presence of persons selected by the Judge, for the purpose of its being ascertained whether the respondent voluntarily persists in the refusal. At the expiration of the twelvemonth, the respondent will be again interrogated by the Judge or Commissioners, and, on the refusal to cohabit being repeated, the Judge will decree the dissolution of the marriage. This law does not apply to Mahometans whose marriage is *ipso facto* cancelled by conversion to another religion; and an exception is also made in the case of converts to the Church of Rome, in order that the law may not interfere with the proceedings of that Church under its own discipline.

The Act of 1860, regulating the sale and possession of arms and ammunition, being about to expire, a further Act (No. VI. of 1866) was passed to continue its provisions. The testimony is unanimous that no European and no Native of approved loyalty has been disarmed under this law; and it has been found to have had an exceedingly good effect, not merely in preventing outbreaks, but in softening the manners and advancing the civilisation of the barbarous tribes who had previously been in the practice of habitually carrying arms. As in some districts there is reason to fear that the number of wild animals has increased in consequence of this law, a slight change has been made in the new Act, by which the local officers are empowered to grant licenses dependent on certain conditions, which will enable them to ascertain that a proper use is made of the arms by those who are authorised to carry them.

The law relating to the management of the Post Office having in some respects become inapplicable to the present state of affairs, an Act (No. XIV.) was passed, embodying all the alterations which had become desirable; and some slight changes were effected in the rates of postage on the heavier letters and parcels.

In consequence of an agreement entered into between the Government and the Bengal Asiatic Society, an Act (No. XVII.) was passed, providing for the establishment, under the management of trustees, of a public museum at Calcutta, in a suitable building to be erected by the Government, which should be in part devoted to collections illustrative of Indian archæology and natural history and other objects of interest, and in part to the accommodation of the Geological Survey of India, and of the Asiatic Society, with their library, manuscripts, coins, &c.

The Royal Commission appointed to prepare a body of substantive law for India have made a second report, embracing the questions of contracts, sale of moveable property, indemnity and guarantee, bailment, agency, and partnership; and it has been forwarded to the Government of India, with a view to the enactment of a law founded upon it.

Acts for the better regulation of the police in the town and suburbs of Calcutta were passed by the Lieutenant Governor's Council, and a further Act was passed to remedy certain defects in the law relating to the municipality of Calcutta.

An important Act (No. X. of 1866) has been passed by the local council, appointing trustees to carry out the improvements in the port of Calcutta which are urgently required.

In Madras an Act (No. VIII. of 1865), which was passed to consolidate and improve the laws defining the process to be taken for the recovery of rent, while simplifying the procedure to be followed in such cases, has provided a remedy for two important defects which existed in the old law; it gives to all proprietors of land, who have taken a written agreement for their rent, the right to recover arrears from a defaulting tenant by means of a summary power of distress; and it abolishes the old rule, which debarred from the privilege of distraining any landlord who did not pay tax to the Government, a measure which was found to operate harshly in the case of those who had received free gifts of land from the Crown, or who had purchased the redemption of the land tax.

Two Acts were passed in the year 1865, giving municipal powers to Commissioners in the various towns of the Madras Presidency, the first (No. IX.) being applicable to the City of Madras, and the second (No. X.) to any other town in the Presidency to which it might be thought right to extend its provisions.

An Act, No. II. of 1866, for the prevention of the spread of disease among cattle in the Madras Presidency, was rendered necessary by the heavy losses inflicted upon the country by the murrain, and the extraordinary apathy and carelessness of the agricultural community in the matter of contagion.

Act III. of 1866, for the levy of a district road cess, enables the Government to raise funds for the construction and repair of minor roads, by local taxes imposed upon the owners and occupants of land in the vicinity. This measure was considered necessary, as the increasing demands on the general revenues make it difficult for the Government to do more than complete and maintain the chief lines of communication.

By a recent Act, No. VI. of 1866, the Madras Bank is authorised to increase its capital from 600,000 *l.* to 1,200,000 *l.*, and also to establish agencies or branches beyond the limits of British India, so that it is no longer precluded from transacting business in the Native States of India, at Pondicherry, or in Ceylon.

In consequence of the prevalence of gambling in Bombay, the Council for Laws in that Presidency has passed an Act (No. III. of 1866), prohibiting the keeping of a common gaming-house in any town of 5,000 inhabitants, or within three miles of a railway station. Gaming in the public streets is also forbidden.

Another Act of the Bombay Council, No. XII. of 1866, defined the powers of the Courts of Civil and Criminal Judicature in Sind, and substituted for the civil courts previously existing in that province, courts similar to those in the Regulation Provinces of the Presidency.

V.—JUDICATURE AND POLICE.

In some of the districts of Lower Bengal, it is satisfactory to find that there has been a falling off in the number of appeals under the Rent Act (X.) of 1859, in consequence of the more settled relations subsisting between the indigo planters and their tenants; and this decrease of their appellate work has enabled the judges to devote a greater portion of their time to the important duty of inspecting and supervising their subordinate courts. BENGAL.

The cost of the Civil Courts in Bengal was less by upwards of 12,000 *l.* than the amount of stamp fees received in them.

In the Calcutta Court of Small Causes there was a surplus of receipts over expenditure, in the year 1865-66, amounting to 8,800 *l.*; while those in the Mofussil showed a net charge of 8,654 *l.*, after deducting the value of the institution fees.

The registration system was in force for the entire year, and the fees exceeded the disbursements by 9,912 *l.* The establishments were carefully revised, and the receipts continued steadily to increase, but in May 1866 a new code of rules was passed, with a considerably reduced schedule of fees, making registration as easy and cheap as possible. It remains to be seen what will be the financial effect of this measure, but it is hoped that the people will largely resort to registration henceforward.

The crimes of theft and dacoity showed a considerable increase during the year, in consequence of the scarcity prevailing in several districts.

The police force of each circle has been redistributed in such a manner as to materially improve the usefulness of the force, while ultimately leading to a reduction of expenditure. The salaries of the lower grades have been increased, while the number of men has been diminished. The service is now in a very fair state of efficiency, well drilled, well equipped, and fully armed in those frontier posts where arms are necessary. The majority of the inferior officers can read and write, and it is contemplated to establish schools for giving a better education to the constables and recruits. There is an average of one policeman to eight square miles of the country, or to 1,513 of the population.

The question of relieving the Imperial revenues of all charges on account of municipal

municipal police was taken into consideration; and, after much discussion, it was determined that, from the 1st of May 1866, the Calcutta Municipality should take the entire charge of the town police, an annual sum of 4,000 *l.*, however, being paid by the Government as taxes on the buildings occupied by its officers. A sum of 10,000 *l.* was also placed at the disposal of the municipality for public improvements.

Rules have been drawn up for regulating in the Bengal Presidency the grant of pensions and gratuities to men of the police, who, by position and low salary, are ineligible for the benefit of the uncovenanted service pension rules.

It having been found that in Cuttack an impression prevailed that the landholders and their agents had, under the new code of civil procedure, been exempted from their responsibility in regard to reporting the occurrence of crimes in their immediate neighbourhood, a paper was prepared by the Legal Remembrancer, and circulated to all parties concerned, showing what are the duties of the landholder and his agent or representative, and of the village watchman, pointing out the punishments prescribed by the Penal Code for default, and intimating that the law would, in future, be strictly enforced.

The cost of maintaining the prisoners in gaol has increased very largely, in consequence of the unusually high price of food, and of the revision of the establishment.

It being found that the number of the European, American, and Eurasian short-term prisoners in the Presidency gaol had considerably increased, and that men of that class were in the habit of committing petty offences, in order to be sent to the prison, which to them was a house of refuge and good living, a scale of diet has been introduced experimentally, which, while fully sufficient to support life, is not such as to tempt men to commit crime in order to procure it.

NORTH WESTERN PROVINCES.

A careful inquiry has been instituted by the Sudder Court of the North Western Provinces into the character for integrity of the subordinate judicial agency, and the result has been generally favourable. Measures have been taken to break up local and family cliques among the ministerial establishments of the civil courts; and, as already mentioned, the pay of the native judges has been raised, with the view of increasing the efficiency of this class of officers.

The new system of registering assurances has worked very well in the North Western Provinces since its introduction; and it is found to diminish the amount of work which falls upon the judicial officers, as well as to facilitate its execution.

The statistics of crime show a general increase of reported offences, more particularly those of a heinous character; the scarcity and consequent high price of grain, and the prevalence of gambling (for the punishment of which an Act has lately been passed by the Governor General's Council), are believed to have contributed to the increase, while the appointment of honorary magistrates throughout the country has, no doubt, added to the number of minor offences brought to trial. It is gratifying to find that a generally favourable opinion in regard to the growing efficiency of these unpaid officers is entertained by the magistrates, and that their courts appear to possess the confidence of the people.

A notorious dacoit named Lulloo Sing, whose band had for 12 years committed outrages, principally directed against the Rajah of Dyah, was at length, in October 1865, captured by the Allahabad police, with the assistance of the Maharajah of Rewah; and, being placed upon his trial, he was convicted and executed. Several members of the gang have also been apprehended, and it is believed to have been thoroughly broken up.

Although the low typhoid fever, which was so fatal in several gaols in 1864, has been as prevalent as in former years among the free population of many districts, only one gaol has suffered from it during the past year, and in that instance it was checked before it had spread to any great extent. This immunity from fever is chiefly attributable to the rigid enforcement of the quarantine system; but the general health of the prisoners has very much improved, owing to the attention bestowed upon the subjects of ventilation and overcrowding, and the general sanitary arrangements of the buildings.

An attempt has been made, with but partial success, to obtain statistics regarding

regarding the conduct of the time-expired convicts; out of upwards of 40,000 released since 1860, whose subsequent course of life has been ascertained, more than 55 per cent. returned to useful employment, and only $2\frac{1}{2}$ per cent. have been again imprisoned.

In the Civil Courts of Oude there has been a large increase in the number of suits "decreed by confession," and there seems reason to think that this arises from a tendency on the part of creditors to bring needless suits at the expense of honest debtors, with the object of obtaining increased security for themselves. It is hoped that, by a judicious use of their discretion to award costs, the Courts may be able to check a class of litigation which is a great waste of their time, and only adds to the burden of an honest debtor. The costs on suits for small sums are high, but the great increase in the petty litigation shows that they are not so heavy as to deter those who wish to come forward.

Trials by jury were held in 17 cases in the Court of the Civil Judge of Lucknow, and they worked unexceptionably well, the verdict being unanimous, and accepted by the judge, in every instance. Small Cause Courts have been established at Lucknow and Fyzabad.

Measures have been taken for improving the condition of the rural police, who were discontented in consequence of the smallness and irregularity of their pay, and for enforcing the obligations into which the head men of the villages have entered.

Dacoities have greatly decreased, especially in Lucknow, where it is believed that the gangs of robbers which formerly existed have been quite broken up.

The education of the police force shows satisfactory progress, and there is no longer any occasion to obtain outsiders to fill posts in which a certain amount of knowledge is indispensable.

The health of the prisoners in gaol was not good during the year; the sickness occurred chiefly at Seetapore and Sultanpore, where no special cause has been assigned, and at Lucknow, where the mortality was attributed to overcrowding, and to the omission to recognize and take precautions against the contagious character of the fever which prevailed.

In the Punjab the number of suits against parents for breach of promise of marriage or betrothal continues to increase, as the growing prosperity of the peasantry raises up rival suitors prepared to outbid the first, and a contract originally entered into for a pecuniary consideration is readily broken for a similar object.

With the view of securing a fair acquaintance with civil, criminal, and revenue law, on the part of the subordinate portion of the Native judicial officers, rules have been issued requiring them, on appointment, to pass an examination in those subjects.

The Act which was mentioned in the last year's Report,* for establishing a chief Court of Judicature in the Punjab, came into force at the beginning of 1866, and the Court was opened on the 3rd of March.

The Native magisterial agency has been considerably increased; and some of the European forest officers have been invested with limited powers, to enable them to dispose summarily of petty cases of mischief to trees, and breaches of the peace among their establishment.

Trial by jury has not yet been introduced into the Punjab; but the class of assessors is improving in efficiency and usefulness, and in only 19 out of 222 cases did the Sessions Judge differ from the opinion of the majority.

While offences against property are comparatively low in number in the Punjab, murders are very frequent, considering the amount of the population. A large portion of these occur in districts bordering on the north-west frontier, where the Mahometan races on both sides of the border are notoriously addicted to revenge, and the people, from the necessities of frontier defence, are allowed to retain their arms, while escape from justice is easy, with an independent territory close at hand, and the sympathies of the people largely in favour of the criminals.

The less heinous offences against property show the natural tendency to increase which must occur where wealth on the one hand and prices on the other are rising, while cash and jewels are still hoarded within mud walls or

locked in boxes which the simplest key will open, goods are carelessly stored in insecure warehouses, and large herds of cattle, owing to the demand for labour, are entrusted to the care of children instead of able-bodied men.

In the year under report, three gangs of dacoits, who for the past four years have been infesting the districts between the Jumna and the Sutlej, were hunted out and nearly annihilated.

To prevent the possibility of overcrowding, it has been determined to construct five new gaols; the dietary, clothing, and bedding of the prisoners have all been improved; raised berths are being constructed; and attention is paid to personal cleanliness, as well as to the conservancy arrangements in the prisons; while regulations have been framed for quarantine on admission, and for guarding against the spread of any epidemic.

CENTRAL PROVINCES.

The civil litigation of the Central Provinces has increased considerably, more especially in the districts which have hitherto been comparatively backward and uncivilized.

The number of criminal cases also is higher than in the previous year, the difference being chiefly in minor offences. This is partly attributable to greater strictness in enforcing the rules for the maintenance of the public health, and in prosecuting those who infringe the stamp and excise laws; the rise of prices has probably caused some distress, and consequent temptation to commit offences against property; and the facilities given to complainants operate to some extent in encouraging aggrieved persons to resort to the criminal courts.

Heinous crimes, on the other hand, show a steady decrease, owing, in a great measure, to the operations of the special Dacoity Department, the duty of which consists in hunting out and bringing to justice persons who make their living by gang robbery. Though there is reason to believe that there are no longer in these districts any people who earn their livelihood by means of open violence, the tribes who formerly did so remain, and would return to their old practices if opportunity offered.

There are 60 honorary magistrates in the Central Provinces, who disposed of more than one-fifth of the criminal trials during the year. Their work, as a general rule, is done extremely well.

The system of rewarding the prisoners for good conduct in gaol is in full working order, and has already resulted in their improved behaviour. By employing them as warders and overseers, it has been found possible to reduce the cost of the contingent guard.

HYDERABAD
ASSIGNED DISTRICTS.

* Page 52.

The establishment of the four new Civil Courts in the Hyderabad Assigned Districts, which was mentioned in the Report of 1864-65,* was eminently successful in relieving the over-worked revenue officers of the two larger and more populous districts from the judicial arrears with which their Courts were burthened: and one result of thus transferring to the four Judicial extra Assistant Commissioners the petty litigation which was formerly decided by the 10 tehsildars has been to reduce this class of suits, as many of the people, not being in such close proximity to a civil court as formerly, prefer to settle their disputes among themselves, rather than go to law. In the Superior Courts the litigation has increased.

The amount of violent crime has been very greatly reduced, in consequence of the re-organization of the police, the measures taken against the professional plunderers who flocked into Berar from the north, the introduction of the Arms Act, and the redistribution of the districts. In some cases the robbers come a long distance in search of plunder, and succeed in escaping, owing to the rocky nature of the soil, which gives little indication of the track taken in their flight. Many of the so-called dacoities are, however, of a very trivial nature, persons returning from the village markets with their week's supply of provisions being stopped and plundered by small parties.

Not a single robbery during the year has been traced to the Rahtores, who gave so much trouble in former years, and much assistance has been received from one of their most notorious leaders, who, at the end of 1864, was appointed an inspector of police, and whose influence has been of great service in discouraging his class from the commission of crime.

The establishment of camel riders, for the conveyance of the coin of merchants,

chants, has been found most successful, and more than 380,000 *l.* was escorted in the year 1865 in perfect safety.

A large number of the police have been dismissed for misconduct, as it was found indispensable to weed the force of men who were not only useless, but mischievous.

From June to October 1865, the prisoners in the gaol at Akolah suffered severely from scurvy, which was prevalent in the district. The other gaols were entirely free from epidemic.

The administration of criminal justice in British Burmah is in a satisfactory state, and the rules of procedure and evidence are, generally speaking, carefully observed, while the results of appeals and commitments to the Sessions courts testify to the sound character of the findings and sentences. BRITISH BURMAH.

The crime of dacoity, or gang robbery, is gradually diminishing; but, with a frontier line of nearly a thousand miles of foreign territory, consisting chiefly of hilly and wooded country, inhabited by fierce predatory tribes, or by poor people who long for the richer homesteads within British territory, the difficulty of eradicating the evil is very great. Within the last year, one well-known leader was killed while resisting the police, and another was captured and executed, and their gangs have been dispersed. Active measures have been taken by the Burmese Government to restrain bands of robbers from entering British territory, but the Siamese Government has great difficulty in making its authority felt on the border.

The health of the prisoners in gaol has not been so good as in 1864. The mortality chiefly occurred among those who had been transported from India, some of whom were of great age, while for others the climate was unsuitable. Since the close of the year, however, there has been a great improvement in the prisoners' health. The system has been introduced of promoting them, for good conduct, to the office of warder, and, if they render faithful service in that capacity, remitting part of their original sentence.

The jury system, which has been in operation in Madras for four years, and has been introduced into seven districts, appears, on the whole, to have worked favourably; but the success attained is chiefly attributable to the careful selection of the class of offences to which it is applied. It is not proposed to extend it to other districts at present. MADRAS.

European vagrancy, though a less prominent evil at Madras than in the other Presidency towns, exhibits a tendency to increase. Persons who have been employed on plantations and railway or irrigation works, and been dismissed for drunkenness or other causes, discharged or runaway seamen of indifferent character, and men who come over with horses from Australia, all remain without employment, for there is no mere manual labour for Europeans in India. Thus they are driven to beg, and their conduct and appearance cast discredit on the English name.

Towards the close of the year under review, two outbreaks occurred among the Hill tribes. In Vizagapatam, the Sowrahs, a savage and truculent race, attacked a party of police, and drove them off; but a stronger force was soon afterwards moved up, and a station established in a central spot. In Ganjam, a more serious rising originated in the Kuttaya country on the 13th of November 1865, and assumed the form of an extended insurrection, involving 380 villages, which was not quelled till the 5th of January, and then not without a considerable loss of life. A few weeks later, a further rising occurred in another part of the Ganjam Hills, but it was promptly suppressed by the police.

To prevent a recurrence of these murderous outbreaks, it has been arranged that the Assistant Agent and Assistant Superintendent of Police shall reside in the Hill tracts during a considerable part of every year, and the police force has been strengthened.

The unchecked gambling which prevails in almost every town of the Presidency is a serious evil, a return furnished by the police showing 1,015 notorious and open gambling-houses.

The new district gaol at Vizagapatam is nearly finished, and the two central gaols at Coimbatore and Rajahmundry have been so far completed that about 1,000 prisoners have been placed in them.

BOMBAY.

In the Bombay Presidency, as in other parts of India, the dearness of all articles of food proved a great incentive to theft among the poorer orders. As regards crimes of a serious nature, there was a decrease of nearly one-fourth in the number of murders in the Southern Division, while the number of gang robberies was more than doubled. This is mainly attributable to the outrages of the Kolees in the western villages of the Poona district; but the efficient measures adopted by the Superintendent of Police soon resulted in the capture of the leaders, and the suppression of the gangs which had been a source of much annoyance to the peaceable inhabitants.

The cost of the prisoners has increased in consequence of the higher prices of food. The proceeds of their labour are formed into a fund for the improvement of the buildings.

The mortality during the year 1865-66 was exceptionally high, owing to the prevalence in three of the gaols of a low type of fever (the deaths from which alone exceeded the total number of deaths in the previous year), and also of diarrhoea, which was very fatal. A modified diet table has been introduced, which is calculated to promote the health of the prisoners. The gaol establishments have been revised, and considerable progress made towards the promotion of a more sound system of management.

In order to meet the wants of Sind, instructions have been given for the erection of a central gaol at Hyderabad.

VI. EDUCATION.

IN the course of the year 1865-66, the number of colleges and schools under the direct management of the Bengal Government, or receiving aid from the public revenues, increased by 290, and the addition to the number of scholars was 10,734. This progress, however, is not so rapid as that which took place in former years, and the difference is attributed to the ravages of disease in Central Bengal, and the scarcity which was felt towards the close of the year throughout the Lower Provinces.

The Educational Department has been reorganised, and a scale of salaries fixed which, it is hoped, will be sufficient to enable the Government to procure the services of competent men from the English Universities.

The progress of female education in the North Western Provinces continues to be satisfactory; but the movement is yet in its infancy, and requires delicate handling. As in the boys' schools, the great want is that of efficient teachers; and efforts are being made to create a class of trustworthy and capable schoolmistresses.

Native booksellers are beginning to obtain educational works from the Government depôt, for sale to the public; and one at Benares is reported to have disposed of upwards of 400 *l.* worth during the year, a satisfactory evidence that they are becoming generally acceptable to the people.

Many of the female schools recently taken under the patronage of the Government in the Punjab are, no doubt, nothing more than the infant schools which have existed from time immemorial, for the purpose of conveying some little religious instruction; but still, the growing desire of the Natives to have them visited by the Government officers is encouraging, and the great object of removing prejudices seems in the course of being gradually accomplished.

A proposition has been made by some of the Native community of Lahore, under the auspices of the Principal of the College, to found a university for the promotion of Oriental learning; and the precise form which the institution shall take is under consideration.

The censorship over the Native Press which was established in 1857, has been withdrawn, and the number of presses and vernacular periodicals has, in consequence, considerably increased.

The number of schools in the Central Provinces has risen during the year from 1,185 to 1,441, and that of the pupils from 34,400 to 46,738. The cost of educating each scholar was about 14 *s.* a year.

In the Hyderabad Assigned Districts also there has been an increase in the number of schools; and a Director of Public Instruction has been recently appointed for Berar.

The nomination of a similar officer to superintend the arrangements for promoting

moting education in British Burmah, was mentioned in the Report* of last year. • Page 60. After a period of two years, it will be considered whether the success of the measure has been sufficient to warrant the continuance of the appointment.

In the plains of Toungoo, there are several families of Karen mountaineers, to whose education, religious, moral, and social, the Rev. Dr. and Mrs. Mason have for many years devoted themselves. The colony now numbers 223 persons, who have settled down to agricultural pursuits.

In the Madras Presidency, the number of the private schools under Government inspection in 1865-66 was 278 more than in the preceding year, and the number of pupils increased by 5,936.

In 1863, an Act was passed, to enable any town or village in which the majority of the inhabitants desire it, to appoint Commissioners and levy rates for the maintenance of schools. The chief difficulty in carrying this measure into effect consists in the want of competent School Commissioners; and the introduction of the Act has been prohibited in places where such persons are not available for the duty, or where the request of the people for it is not entirely voluntary. In Malabar and Canara, into which districts it has already been introduced, it appears likely to work with success.

The revised grant-in-aid rules have led to a considerable improvement in many of the schools previously existing, but as yet not much has been done in the establishment of additional schools. A fair trial is being given to the two systems of making payments in aid of the salaries of certificated teachers, and of granting assistance according to the results of periodical examinations of the pupils.

In Coorg, where an attempt to establish a school at Mercara met with the most determined opposition 10 years ago, the feeling is now one of universal appreciation of the benefits conferred by education; and the principal men amongst the Coorgs have readily contributed from their private means to the endowment of the Central School.

In the Island of Bombay, a Diocesan Board of Education has been formed, for the purpose of establishing schools intended chiefly for the children of Protestant Christians; but, in order to enlarge the sphere of the Society's operations, it has been decided that the principles of the Church of England shall not be enforced in the case of the children of Nonconformists.

VII. EMIGRATION.

Emigration from the Bengal Presidency has largely increased within the last year, the number of emigrants in 1864-65 being 13,485, and that in 1865-66, 19,963. This rise has occurred entirely among those dispatched to Mauritius, while emigration to Réunion and Natal has for the present ceased altogether. The proportion of female emigrants has been unusually large in consequence of the scarcity of food in the recruiting districts, which compelled whole families to seek their livelihood elsewhere. Unfortunately, the greater number of women led to a corresponding increase in the number of infants, to which, as well as to the prevalence of disease in Lower Bengal, is due the increased rate of mortality on board the ships:—among the emigrants to Mauritius the death rate was 3·26 per cent., while in the vessels which conveyed those destined for the West Indies it was little short of eight per cent.

The number of return emigrants was 3,747, as compared with 2,882 in the previous year; and their savings averaged about 20*l.* a head in the case of those who came back from Mauritius, and 28*l.* among those from British Guiana and Trinidad.

In estimating the rate of mortality during the voyage, no account has been taken of a lamentable loss of life which occurred in the wreck of the "Eagle Speed," near the mouth of the River Mutlah, in August 1865, when, out of 487 emigrants who started from Port Canning, no less than 262 perished. The pilot was tried by a Marine Court, and, being found guilty of want of skill in allowing the vessel to ground, and of neglect in omitting to do his utmost for the preservation of the lives of the passengers, was dismissed from the service. An inquiry which was held respecting the conduct of the officers and crew

showed that, either from illness or debauchery, they were in an inefficient state; and, as it was found impossible to institute criminal proceedings against them, the Board of Trade was requested to withdraw their certificates from the captain, and the first and second officers; but it was subsequently found that this power had been taken from that Board, and vested in the Court which conducted the inquiry, and which should have been the High Court of Calcutta—a misapprehension of the law, in consequence of which it was found impossible to punish those officers; the surgeon, who acquiesced too readily in the abandonment of the ship, was declared unfit for employment in charge of emigrants; and the captain of the tug accompanying the “Eagle Speed,” who had refused to anchor near the unfortunate vessel, was punished in the only way practicable, by the withdrawal of his pilot’s license. A rule was at the same time passed, making it incumbent upon the emigration agent and protector to ascertain that the officers and crew of every emigrant vessel are in an efficient condition before the passengers are allowed to embark; the general order allowing emigration from the Mutlah was withdrawn, and measures were taken for improving the buoying and lighting of the channel.

An inquiry having been held by the Sanitary Commission into the causes of the excessive mortality which occurred on board the emigrant ships to British Guiana in 1864-65, they came to the conclusion that it was due to an infectious fever being carried on board by the coolies, while the Medical Inspector of Emigrants considered the disease to have been a genuine attack of typhus, caused by overcrowding. Both parties, however, concurred in the practical measures necessary to avoid the recurrence of such a disaster, the chief points being a return to the minimum space of 12 superficial feet for each adult (which had in 1864 been reduced to 10 feet), the absolute limit of the number of emigrants dispatched in any vessel, and the provision that no coolie should be embarked until he had been at least 30 days in dépôt.

In order to avoid the injurious effects of the coolies leading an idle life while in the dépôt, a rule has been passed enabling the protector to exact work from them of a light and suitable character, for which they are allowed pay at the rate of one and a-half pice, or three-sixteenths of a penny, per hour. The agents are thus enabled to keep the dépôts clean, and the measure in a two-fold way promotes the health of the emigrants.

The arrangements for the transport of labourers from Lower Bengal to Assam and the adjoining district have attracted the special attention of the Government. The regulations on the subject are contained in two Acts passed by the Bengal Council in 1863 and 1865; and the system has worked very well so far as regards the reception of the coolies by the Superintendent of Labour Transport, and their dispatch to Assam. On board the steamers or flats, however, engaged in the conveyance of the labourers, the established rules were disregarded in no less than five instances within six months, and a very serious loss of life ensued. On their landing, also, no adequate provision was made to enable them to reach the plantations, and they were consequently exposed to great misery. A full inquiry has been directed into the whole subject, in order to ascertain whether sufficient securities exist for the protection of the coolies, both on their way to Assam and in the plantations.

On the latter point, a very serious infraction of the law occurred in the gardens of the Assam Tea Company at Cherrajoolie, where immigrant labourers were flogged under circumstances of great barbarity. The instance was declared, both by the Agent of the Assam Tea Company and the Secretary of the Landholders’ and Commercial Association, to be quite exceptional, and contrary to the express orders of the directors of such estates; but a searching inquiry has been ordered with the view of discovering whether similar occurrences have taken place on other plantations, and of bringing the perpetrators to condign punishment in any case where the offence may have been committed. An additional Assistant Commissioner has also been appointed in Lower Assam, to discharge the duties of protector of labourers in that division.

From Madras, 5,192 emigrants were dispatched to British Colonies in 1865-66, or 419 more than were sent in the previous year. Out of nearly 4,000 who proceeded to Mauritius, only 15 died on the passage. The dépôts were less healthy than usual, as very many of those who came to be registered were half starved, and, consequently, more liable to disease. The French agencies obtained 2,155 recruits for their Colonies during the year.

VIII. AGRICULTURE.

In six divisions of the Lower Provinces it was considered undesirable, owing to the scarcity, to hold agricultural shows; but in Assam, Dacca, Chota Nagpore, and Chittagong, exhibitions were opened with more or less success, and, though their effect may have been confined within narrow limits, the interest which they excited fully repaid the small expenditure incurred. That which was held at Mymensing in Dacca, after paying all its expenses, realised a surplus of upwards of 500*l.*, which it is intended to appropriate to the establishment of a model farm; and the exhibition at Debrooghur, in Assam, was attended by many of the wild tribes on the north-east frontier, and it is to be hoped that their visit may be not without profit to themselves and their fellow clansmen.

AGRICULTURAL
EXHIBITIONS, &c.

At Alipore, in Buxa, one of the newly annexed districts which were taken from the Government of Bhootan in the previous year, an exhibition was held in June 1865, which proved most useful as a means of ascertaining the capabilities of the country; among the articles shown were cotton and silk, both raw and manufactured, numerous timber and medicinal woods, lac, india-rubber, castor oil, pottery, and an immense variety of kinds of rice.

In the North Western Provinces, agricultural exhibitions were held at Allahabad, Agra, and Bareilly, and district shows at Mynpoorie, Etah, Futteghur, and Mirzapore.

The annual fair at Khyrabad, in Oude, which had been intermitted in the previous year on account of the Lucknow exhibition, was again held in 1865-66, at the request of the talookdars of the district, who charged themselves with the expenses.

A sum of upwards of 10,000 *l.*, of which the Government gave 2,000 *l.*, was collected in 1865, in the Central Provinces, for an exhibition of products and manufactures to be held at Nagpore, and on the 26th of December it was opened. About 30,000 people came to see it, the machinery and implements proving the greatest attraction to the native visitors; and, in order that the impression made upon their minds may not pass away without effecting some permanent improvement, it has been decided to hold another exhibition at Jubbulpore, in the course of 1867.

The native rice plant in British Burmah gives an abundant yield, with very little trouble; and it is doubtful whether any improved system of tillage would materially increase the crop or benefit the soil. The Agricultural Society is, however, importing Carolina and Java seed paddy; and, if the cultivators can be induced to give these varieties of the plant the care and labour required to raise them successfully, the value of the produce for foreign markets will be double that of the indigenous grain.

In the Presidency of Madras, agricultural exhibitions were held in the districts of Nellore, Bellary, and Tinnevely. That at Nellore and the cattle show at Addanki were decidedly successful, and showed that the prejudices of the population against such shows had to a great extent been overcome, but elsewhere the attempts did not succeed in rousing any general interest. Where this was the case, it has been decided not to repeat the experiment at present, but to intimate to the chief landholders and cultivators that, should they at any future time be desirous of emulating those of other districts, the Government will be willing to meet their wishes.

The experimental farm at Sydapet, in the vicinity of Madras, was continued during the year with fair promise of success, and the use of a superior description of agricultural implements is attracting attention. In order to obtain complete information respecting the system followed in native agriculture, exhaustive reports have been prepared in every district, and a mass of valuable information regarding soils, crops, modes of culture, &c., has been collected, which will furnish important data for agricultural experiments, and for future adjustments of the Government demand upon the agricultural classes.

In the Government tea plantations in Kumaon and the Dhoon, an experiment has been tried, of manufacturing tea from the flower-buds, before they expand. Should the produce prove saleable, the value of the plantations will be considerably increased, for many thousand pounds of the buds can annually be collected,

TEA.

with much advantage to the bush, as a great quantity of flowers exhausts the plant, and prevents a large crop of leaves.

The condition of the people in the tea districts has been materially improved since the cultivation was introduced; they are better clad, fed, and housed; and the only complaint is on the part of the planter seeking for more hands.

On the estates in the Kangra Valley great scarcity of labour is experienced by the tea planters, and in one case a loss of 4,000 lbs. occurred, owing to the dearth of hands. The Government operations in these hills, so successfully conducted for 20 years by Dr. Jameson, have been brought to a close by the sale of the Holta estate.

The only tea plantation in British Burmah is in the district of Akyab; the soil and climate have proved most favourable to the plant, and the cultivation is being largely extended, but the great difficulty is to obtain labour.

In the Madras plantations there are now about 13,500 plants, some of which have flowered, and a supply of fresh and good seed will soon be available for the public at a fair price. Many plants have been distributed gratuitously to the inhabitants of the hill tracts, and others sold to the planters at three half-pence each.

COTTON.

Promising experiments have been made in the cultivation of cotton in the North Western Provinces, but difficulty has been found in cleaning it with the rude native instruments now in use, and arrangements have been made for supplying the growers with improved gins.

With the first rumours of peace in America, the price of cotton began to fall, till in some districts it was no higher than before the commencement of the civil war in the United States. At Meerut, the price in October 1864 was 4 *l.* a maund, and in the summer of 1865 it had fallen to 16 *s.* for the same quantity. The natural result has been a great contraction of the cultivation, which is now not more than one-half of that during the preceding year. The low value of the cotton influenced the sale of the manufactured article, and there was a greater demand, at reduced prices, for both English and home-manufactured cloth.

The cultivation of the finer kinds of cotton in the Botanical Gardens at Seharunpore has been carried on successfully; but the natives do not care to obtain seeds, as a higher price is not realised in the market for cotton grown from them, than for the common shorter staple which is indigenous to the country.

In Oude the cultivation did not extend, except in the district of Fyzabad, where the local demand revived. The experiment of growing American cotton under the shade of mango trees was found to be successful, but the native seed is still preferred to that which is foreign to the country.

The low price of cotton, and the panic in the Bombay market at the time of the sowing season, led to a curtailment of the cultivation in the Central Provinces by about 15 per cent. The average yield was from 50 to 60 lbs. per acre in the Wurdah Valley, and 40 to 45 in other parts of the country. This would give something over 30,000,000 lbs. for the aggregate out-turn of the season, and nearly 6,000,000 lbs. were imported to receive the stamp of the Central Provinces market. Of the whole quantity, 29,250,000 lbs. were exported, or about 2,000,000 in excess of the previous year, notwithstanding the fall of prices.

Experiments in the cultivation of New Orleans cotton were conducted in the Wurdah Valley, under the supervision of an officer appointed for the work, with a clear profit of 114 per cent. on the outlay. Seed was distributed to private landholders, but without success, except in two cases, in one of which there was a profit of 283 per cent., and in the other, the soil being garden land richly manured, the owner reaped a profit of 811 per cent. on the expenditure. In Chanda also a space of 14 acres was sown with acclimatised New Orleans cotton seed, and the yield was worth 2 *l.* 9 *s.* an acre, or 346 per cent. on the outlay.

Improved ginning and pressing machinery has been set up, and the four principal yards have been paved with stone, to prevent the cotton from being soiled during the process of weighing and packing. Warehouses have been built by the dealers at these yards, and generally more attention is paid to the requirements of the English market than before.

At the Nagpore exhibition, a Platt's self-feeding cotton gin, and a cotton saw-gin, were set up and worked by steam power, a few intelligent natives being appointed to explain the working of the machinery to the visitors, many of whom were dealers from the cotton-growing districts.

The price of cotton at Nagpore, which at one time during the great demand rose to 1 s. 6 d. a pound, averaged throughout the year 1865-66 only 6½ d. a lb.

In addition to the branch of the Bank of Bengal which has charge of the Government treasury at Nagpore, one has been opened at Jubbulpore, and the treasury made over to it. A subordinate branch was temporarily established at Hingunghat, during the cotton season.

In the Hyderabad Assigned Districts, the area of land under cotton cultivation has been reduced by three per cent. The average price, which from 1850 to 1861 was 11½ lbs. for the rupee, had risen in 1864 to a little less than 2 lbs.; in April 1865 it was 6½, and in April 1866 it again rose to 2 lbs. the rupee.

The area of land sown with cotton in British Burmah has diminished by one-third, in consequence of the fall in price. A considerable quantity was grown in the hills of Prome, but this cannot be expected to continue unless the price rises. Experiments with acclimatised New Orleans seed have been continued, but with little success. As the cotton cultivation has fallen off, that of sesamum has increased, and in 1865-66 there were about 20,000 acres bearing this crop, or nearly double the area so occupied in the previous year.

The quantity of cotton wool exported from Madras rose from 73 to 120 millions of lbs., and the value from 4,041,893 l. to 4,841,634 l. The area of land under cultivation, however, showed a further decrease of 226,000 acres.

The amount of cotton conveyed by the Great Indian Peninsula Railway has increased very largely. In 1864 there were 1,453,439 maunds carried; in 1865, 2,399,779 maunds, and in the first four months of 1866, 1,246,616 maunds, and this in addition to a very considerable quantity which was sent down by road. The question of pressing the cotton up-country has received much attention; and there is a prospect of the native merchants eventually adopting this improvement.

In carrying out the provisions of the Act IX. of 1863, to prevent adulteration and frauds in the cotton trade, an endeavour has been made to enlist the sympathies of the people in its favour, rather than irritate them by showing a determination to enforce the very letter of the law; and the results of this policy are admitted by gentlemen of the greatest experience in the cotton trade, by the managers of the large ginning factories, and by the inspectors on duty at the presses in Bombay, to be most satisfactory. Cases now rarely occur, of cotton being wilfully deteriorated by the admixture of foreign matter; and the staple reaches Bombay in a state of, comparatively, great cleanliness, and in a condition very superior to that of former years. The greatest watchfulness is, however, still required. There were only 35 convictions under the Act during the year, the great majority of owners having voluntarily consented to remove their cotton, when found to be dirty, in order to have it cleaned.

In addition to their special duty of preventing fraud, the officers of the department have paid much attention to the introduction of an improved description of cotton, and of a better style of cultivation. In the extensive district of Khandeish a revolution has been effected in the cotton culture, by the extirpation of the indigenous seed, and substitution of that from Berar. The strictest injunctions are given to the officers to abstain from any interference with the free action of the cultivator.

In the frontier district of Upper Sind, experiments are in progress for growing the Peruvian and Egyptian cotton. About 2,700 lbs. of the seed have been distributed among the landholders, for whose use eight roller cotton gins have been obtained from England.

A work on the textile manufactures of India, which has for some time been in preparation under the supervision of Dr. Forbes Watson, the Reporter on Indian Products, has been recently completed; and 20 sets have been distributed to the principal cities of India, and the chief seats of commerce in Great Britain and Ireland. Each set contains 700 working samples of cotton, silk, and woollen fabrics, and is accompanied by a memorandum on the textile manufactures and costumes of the people of India.

CHINCHONA.

The cultivation of the chinchona in British Sikkim is progressing very satisfactorily, and several companies and individual planters have purchased plants from the Darjeeling nurseries. Specimens of red bark, two years old, have been analysed in England, and found to contain $3\frac{1}{2}$ per cent. of febrifuge alkaloids.

The tea planters of Chittagong, being desirous of introducing the chinchona into that district, the curator of the Botanic Gardens proceeded thither with 200 plants of the *succirubra* species, which it is thought may be likely to thrive there.

In Madras, notwithstanding the unfavourable character of the season, unprecedented progress was made in the chinchona plantations, and the total number of plants was doubled during the year. The trees, which were first put out in August 1862, are now from 12 to 20 feet high, and have already produced millions of excellent seeds. The bark of the oldest plants has increased in thickness and improved in appearance, and the yield of crystallised sulphates of the red bark species (*C. succirubra*) has been ascertained to be no less than 10 per cent. The bark of the *C. officinalis* has yielded nearly 8 per cent. of quinine, and it has been found that this hardy and most valuable species thrives as well in the open grass land as on land which has been cleared of forest. It has been proved that strips of bark may be removed from the trees without injuring them, if moss be immediately applied, and that, by mossing them before it is stripped off, the bark may be immensely improved both in thickness and quality. Moreover, the second growth of bark, treated in this way, is richer in quinine than the first, and the third than the second. Now that seeds are produced in abundance, the number of plants may be rapidly increased to any desired amount, and the cultivation be readily extended to all favourable localities.

In order to make the benefits of the chinchona as accessible as possible to the poorer inhabitants, the Government officers have been instructed, whenever they may find it practicable, to promote the cultivation of the tree by villagers and small holders of land in suitable situations.

A chinchona plantation has been formed by his Highness the Rajah of Travancore, at Peerméde, on the hills in his territory. Plants are growing well on the Pulney hills, on several plantations in Wynaad, and in Coorg, and the Bombay Government have an experimental plantation on the Mahabaleshwar hills.

A commission of medical officers has been appointed, to conduct inquiries with a view to test the efficacy, as febrifuges, of the chinchona alkaloids other than quinine. Fourteen surgeons, holding appointments in localities where fever is prevalent, have been directed to conduct experiments, and submit monthly tables of the results of their investigation; and one medical officer has been specially selected to visit the hilly districts of the Northern division, where fever of every variety prevails, and to remain at the different stations a sufficient length of time to test the effects of the alkaloids, both relatively and positively. An analytical chemist has also been appointed, for a term of three years, to investigate on the spot various points connected with the cultivation of the tree, and the extraction and use of its alkaloids.

IX. SANITARY MEASURES.

On the institution of an inquiry into the causes of the fearful mortality which takes place at Pooree, in Cuttack, among the pilgrims to the Temple of Jugurnauth, it was found to be distinctly traceable to two sources, the quality of the pilgrims' food, and the nature of their lodging in the town. Those of the poorer class usually travel in companies, and are consigned to the care of some priest, by whose agents they have been induced to undertake the journey, and who is supposed to make himself responsible for their food and lodging. The food is procured in the temple, and that portion which is supplied from the revenues of the establishment is probably good. This, however, is mostly appropriated by the attendants; and by far the larger part, consisting of rice and dāl of the worst description, is furnished by a set of cooks, who have a hereditary right to prepare and sell food within the sacred precincts. The accommodation in the priests' houses is wretched in the extreme; and the overcrowding, bad food, and exposure of the journey, combine to invite an outbreak of cholera.

The

The superintendence of the temple was, by Act X. of 1840, vested in the Hindoo Rajah of Khoorda, with full power to provide for the proper supervision of the temple usages in every department; he has ample authority to regulate the sale and removal of the sacred food, to inspect the stores of grain within the temple, and to remove any officers obstructing his authority on these points. The magistrate of Pooree was accordingly instructed to make a formal requisition upon the Superintendent, insisting on the discharge of his duties, and warning him of his responsibilities. At the same time, orders were issued for establishing a system of inspection by Hindoo police officers of proper caste, and of such standing as would enable the magistrate to place confidence in their reports. It was also determined to pass an Act specially adapted to the character of the place, for the regulation of the overcrowded lodging-houses.

A virulent outbreak of cholera occurred during the year in Cuttack, and it was much aggravated by the scarcity which simultaneously prevailed throughout the province of Orissa. In order to prevent devotees from visiting the Temple of Juggurnauth at this crisis, notifications were issued warning the public of the risk to be incurred by a visit to that place, and they had the desired effect of keeping back a large number of pilgrims.

In Calcutta a conservancy railway has been commenced, for the purpose of transporting to the Salt-water Lake the immense quantity of refuse which the municipality has daily to remove.

A square mile of land has been taken up at that spot, with the view of utilizing the sewage for the purposes of agriculture; and, should the experiment succeed, it may have an important bearing on the ultimate health of the city, by leading to the entire reclamation of the Salt Lake tract.

The excavation of the drains in the city has been carefully supervised, and active measures were taken to bring to justice offenders against the conservancy laws.

The Hindoo community has subscribed the sum necessary to render the process of incremation at the burning ghauts inoffensive; and the practice of throwing corpses into the river has been stopped, the bodies of paupers being now burnt at the public expense.

By the supervision of these places and of the cemeteries, the justices have the means of fixing the number of deaths in the city with tolerable accuracy; but little more than half of the number thus ascertained is registered, and still greater difficulty is found in inducing the people to register the births of their children. Assuming the population of the city, including the fort, bazaar, and shipping, but excluding the suburbs, at 400,000, the rate of mortality in 1865 was no less than 58 per thousand.

The faulty construction of the Calcutta Medical College Hospital, and the impossibility of separating different classes of patients therein, lead to a high per-centage of deaths; and a proposal is under consideration for either removing the hospital to another site, or providing special accommodation for obstetric and choleraic cases.

Sanction has been given during the year for the establishment of several new charitable dispensaries, the funds for which are provided by the liberality of native gentlemen.

In addition to the system of vaccination which is now in force by means of the dispensaries, an endeavour has been made to spread more widely the benefits of this inestimable discovery, by means of a special agency for the purpose. The experiment has been, in the first instance, sanctioned for a circle of which Darjeeling is the head quarters, in which a superintendent will be established (with one European and three native assistants), whose duty it will be to devote his whole time to furthering the spread of vaccination among the masses of the people, by means of 30 vaccinators placed at his disposal.

In August 1865, small-pox appeared at Deoghur, and, being fostered by the prejudices of the people, continued to make head, till, in January 1866, it threatened to extend to the neighbouring villages, while the approach of the religious fair at Deoghur caused alarm, lest the contagion should spread among the pilgrims to the shrine. Accordingly, the town and neighbourhood were placed in quarantine, and the magistrates of all important places through which the crowd approach the scene of danger were directed to warn the devotees of the risk which they were incurring, and to use all legal means to induce them

to turn back. These measures were found successful; a large proportion returned to their homes, while those who reached their destination were only permitted to enter the town once, for the purpose of visiting the temple of Baijnauth; and, under these restrictions, the assembly dispersed, without having contracted any infection. The disease in the town soon afterwards began to die out, and lost its epidemic character; but not until 1,659 cases had been brought to the notice of the authorities, of which 292 proved fatal. Inoculation has now been declared penal, under Act IV. of 1865, in the town and the surrounding villages; and some success has attended the efforts of the civil surgeon, who, by judicious tact, induced the Brahmin operators to substitute vaccine matter for small-pox virus, and then abstained from interference with any ceremonies which the superstitious might choose to attach to the operation.

By the above-mentioned Act of the Bengal Council, No. IV. of 1865, the practice of inoculation was prohibited, in all towns which were under the District Municipal Act; and the provisions of the measure have been brought into force in many of the principal towns of the Lower Provinces, and their adjacent villages.

A very satisfactory improvement is observable in the returns of vaccination in the North-Western Provinces, the successful cases having increased from 77,135 to 125,072. In some districts the prejudices to be overcome are very strong, the Hindoo population being wedded to inoculation, and looking on the small-pox as a kind of religious institution, with which they ought not to interfere.

A scheme is being prepared for the general sanitary supervision of towns and districts; and in the meantime, a memorandum, prescribing for adoption a few general rules, and detailing the advantages which have been derived elsewhere from their introduction, has been circulated to the Government officers in every district; copies have also been printed in the vernacular languages for general distribution, and the native gentlemen have been assured that their influential exertions in promoting the object in view would obtain for them the marked approbation of the Government.

For the first time, returns have been prepared, showing the mortality for the year, in each district of the Punjab. As the death-rate for the whole province appears from these documents to be only 17.1 per thousand, or considerably less than that of England, there can be little doubt that they are imperfect; but this must be expected at first, and it is satisfactory that, in obtaining the statistics, not the slightest opposition has been met with on the part of the people.

A code of simple sanitary rules has been printed in the vernacular, and circulated among the head men of the towns and villages, calling their attention to the most essential principles of conservancy; and in some parts the people have evinced a disposition to respond to the appeal.

There is a general backwardness to contribute to the cost of dispensaries, with the notable exception of the district of Sealkote, where the people have agreed to the imposition of an annual cess of three half-pence on each house, for the purpose of providing funds for the establishment of a dispensary in each subdivision. The rate is collected by the village headman, without the interposition of the Government officers, and the expenditure is controlled by local committees, elected by the people, subject to a district committee, over which the Deputy Commissioner presides. The income is estimated at 1,000 £., and with the proceeds four dispensaries have been opened with suitable establishments, the surplus being devoted to the education of seven young men, who have been sent to the Government Medical School at Lahore.

The opposition of the people to vaccination is disappearing, and in some districts the inhabitants are beginning to prefer it to inoculation. Some successful attempts were made to induce the native physicians to practise it on their own account.

Although it can be little more than a happy coincidence, it is a subject of thankfulness that, in the second year in which attention has been generally paid in the Central Provinces to sanitary matters, the public health has been unusually good, as the circumstance will enlist many influential natives in the cause of sanitary improvement. Not merely have the sub-committees of the

town

town municipalities continued their efforts, but a commencement of measures of conservancy has been made throughout the whole country.

The immunity from cholera which the province has enjoyed is partly attributable to the measures taken to stop certain annual religious gatherings at critical times of the year. The usual assembly at Bhudrachellum on the Godavery was forbidden; and in the Eastern districts it was ordered that no fairs should be held after the 1st of March. So far as can be ascertained, the natives make no objection to the regulation, on sanitary grounds, of the seasons when their religious gatherings shall be held.

In British Burmah a steady advance is being made in the diffusion of the protective influence of vaccination; and the number of persons who submitted to it was nearly half as large again as in the previous year.

With the view of extending as far as possible the benefit of European medicine throughout the country, where dispensaries cannot be established, medicines of a simple kind have been distributed to missionaries stationed at remote places in the interior; and the results have proved satisfactory.

The general health of the province was good throughout the year, except in the town of Akyab, where, in spite of improved sanitary measures and increased vigilance on the part of local authorities, an outbreak of cholera occurred in March 1866, and carried off upwards of 300 persons, chiefly coolies employed on the tidal creeks. In Moulmein there was a marked improvement of the public health, owing to the sanitary measures which were adopted.

Epidemic cholera prevailed to a great extent on the Malabar coast in the summer of 1865, and cholera and malarious fevers were unusually frequent on the table lands of Mysore, and in the northern districts which were suffering from famine.

The Vaccination Department in Madras has been placed on a new footing, and the results already appear more satisfactory than those obtained under the former arrangements.

The progress of vaccination in Bombay has been very great, and material aid has been rendered by the municipalities, which have entertained many additional vaccinators out of their revenues.

The Cowasjee Jehangeer hospital at Bombay for the treatment of diseases of the eye has been completed, at the sole cost of the gentleman whose name it bears; and the adjacent hospital for the reception of incurable lepers is expected to be soon ready for the reception of patients. Much progress has also been made with the new David Sassoon hospital at Poona. A committee of medical officers has been appointed to consider the practicability of establishing a small-pox hospital at Bombay, for the treatment of both Europeans and Natives. The death-rate in Bombay was higher in the year 1865 than it has ever been known to be before, and was not less than 35 per thousand. Fever alone caused a greater proportion of deaths than the average rate in England from all causes.

The special measures for limiting the ravages of cholera in India, suggested by the international Cholera conference which assembled at Constantinople, were, in addition to the operations of the Sanitary Commissions at the several Presidencies, the maintenance and extension of the steps taken by the Governments of Madras and Bombay for the regulation of the periodical pilgrimages to the places held sacred by the Hindoos; while, for preventing the spread of cholera from the shores of India to Europe and the intermediate countries, the conference recommended a system of passports, on the principle in force in the Dutch possessions in the Eastern Seas, and the extension and increased stringency of the Act passed in 1858 to prevent overcrowding in the native passenger ships on the coast of India.

A perusal of the preceding pages will show that the restrictions on the pilgrimages to shrines in India, at unhealthy seasons, have been successfully carried into effect in various parts of the country; and the attention of the local Governments has been directed to the question of adopting the measures best calculated to promote the object sought by the Conference. Commanders of ships conveying pilgrims from India to the Arabian Coast are to be required to carry bills of health from the Indian ports, and to submit their vessels to the inspection of the authorities at Aden, by which means a check will be placed

on the system of overcrowding the ships with passengers taken on board after they have left India.

X. MUNICIPALITIES.

The action of the municipalities in the principal cities of India, in enforcing measures for the improvement of the public health, has been described in the foregoing chapter on sanitary measures; but a few points remain to be mentioned, in which operations of general utility are being carried on by means of local self-government.

A loan of 45,000 *l.* has been sanctioned for the municipality of Canning, towards the improvement of the town and port; the money will be advanced from time to time, as it may be required, without interest, for a term of five years, on the security of the property of the municipality, the port dues being retained in the hands of the Government.

At Delhi, a new institute, erected by the municipality, has been completed during the year under review.

In the Central Provinces much attention has been paid to the adaptation of the municipal taxes to the circumstances of particular towns. In most cases an octroi duty has been found to work well; but in places where traffic to a great extent rests in transit a house tax has been substituted.

Municipal action has gradually become general throughout the Madras Presidency, and in several districts considerable sums have been raised by private subscription for sanitary, and other public purposes. The voluntary town associations, which in Vizagapatam, Godavery, and Bellary, have worked satisfactorily during the year, will shortly be merged in the municipal committees about to be formed under the Towns Improvement Act.

The passing of an Act for the management of the municipal affairs of Bombay, which was demanded by the urgent necessity for the improvement of the sanitary condition of that city, was mentioned in the Report* of last year. It came into effect on the 1st of July 1865; and under its conditions the bench of Justices, who had formerly only a nominal voice in municipal matters, have become a corporation with almost supreme control over the affairs of their city, while the executive power and responsibility is vested in a single commissioner appointed by the Government for a term of three years, instead of being divided among three commissioners, with equal power but divided responsibility. The revenue of the municipality during the year 1865-66 was 227,824 *l.*

The streets of the city of Bombay were for the first time lighted with gas, on the 7th of October 1865.

XI. POPULATION.

The second census of the North-Western Provinces was taken on the 10th of January 1865, 12 years having elapsed since the previous enumeration of the people. The native population was found to be 30,115,312, of whom nearly 26,000,000 are Hindoos. On comparing this return with that obtained in 1853, and making allowance for the alteration which has occurred since that time in the limits of the provinces, the population is found to have decreased by about 270,000, while the relative proportion of the sexes, which in 1853 showed 87·3 women to every 100 men, is found to have fallen to 86·6 females to 100 males. The only district in which an increase of population appears to have taken place is Goruckpore, into which there has been considerable immigration. The accuracy of the return of 1853 is questionable; but, even if the statements then furnished were correct, the war of 1857-58 and famine of 1860-61 fully account for a certain retardation of the numerical progress of the people. The Europeans in these provinces number 22,692, while the Eurasians, who were hitherto supposed to form a numerous class, are not reckoned at more than 5,069.

In British Burmah, the population is found to have increased since the previous year from 2,196,180 to 2,273,049, or 3½ per cent. The present numbers give about 25 persons to each square mile.

* Page 68.

XII. POSTAL COMMUNICATION.

The principal recommendation of the Select Committee of the House of Commons on the communication with the East Indies, so far as regarded the conveyance of the mails to India, was that tenders should be invited for a weekly service to Bombay alone, and the separate service to Madras and Calcutta be discontinued, the time table being based on a higher contract-rate of speed than is at present in force.

Since the commencement of 1867, two additional steamers each month have been placed by the Peninsular and Oriental Steam Navigation Company on the line from Bombay to Suez, with the view of ascertaining at what probable expense to the public such a service, or a weekly one, could be permanently maintained.

XIII. ECCLESIASTICAL ESTABLISHMENT.

Four new churches have been completed in the Punjab during the year under report, at the stations of Pind Dadad Khan, Shahpoor, Rajanpoor, and Montgomery; and that which is being built at Attock was nearly finished. In the Central Provinces the churches at Raepore and Bhundara were completed, and others are in progress at various places. The new church at Rangoon was opened for divine worship in the course of the year. In Madras two churches were consecrated, the one at Kurnool, and the other at Mysore; and funds are being raised for the erection of a new church at Ootacamund. In the Bombay Presidency churches have been consecrated at Poorundhur and Matheran, and a mission church at Kurrachee has been thrown open for public worship.

The position of the junior chaplains has been improved by a rule fixing the period of service entitling them to promotion to the senior rank at 10 years, without debarring any one who may attain that grade, by means of vacancies, in a shorter time, from the advantages which he would thereby have gained.

A heavy loss was sustained by the English community in India, in the accidental death of the Bishop of Calcutta, who was drowned on the 6th of October 1866, as he was embarking on board a vessel at Kooshteah, at the close of a tour which he had been making to inquire into the spiritual wants of the Province of Assam. In announcing the sad event, the Governor General in Council observed, "There is scarcely a member of the entire Christian community throughout India, who will not feel the premature loss of this prelate as a personal affliction. It has rarely been given to any body of Christians in any country to witness such depth of learning and variety of accomplishments, combined with piety so earnest and energy so untiring. Large numbers, even among those of Her Majesty's subjects in India who did not share in the faith of the Bishop of Calcutta, had learned to appreciate his great knowledge, his sincerity, and his charity, and will join in lamenting his death."

XIV. NATIVE STATES.

THE circumstances under which the treaty with Bhootan was signed were mentioned in last year's Report;* and, so far as the stipulations were susceptible of immediate fulfilment, they have been complied with, 72 captives having been set at liberty, and the cession of the Dooars being completely effected. The whole of the Bhooteah possessions in the plains has thus become British, and a slip of hill territory is interposed between Bhootan and Sikkim, whereby it has become practicable to open a direct route with Thibet, without passing through any intermediate foreign state. The survey of such a route, and of the frontier generally, will be undertaken as soon as possible.

In January 1866, a party of Garrows, in the north-east of Bengal, made a raid on a village in Mymensing, and, after decapitating three women, retreated with the heads to their hills. A force of 100 police was immediately organised to apprehend the murderers and their abettors; and the expedition proved successful, the guilty villages having been punished, and some of the chiefs concerned in the outrage having been captured. It was, however, determined to take more effectual measures to prevent these people, who inhabit a tract

BHOOTAN.
* Page 69.

NORTH-EAST
FRONTIER.

surrounded by districts under regular administration, from carrying on their internecine feuds, and proving a source of terror to their neighbours in the plains; and a special officer has, accordingly, been appointed to the charge of the Garrow Hills, on the footing of a Deputy Commissioner, with full police powers and a suitable establishment.

A similar raid having been made by the Angami Nagas in North Cachar, the question of the frontier defence against these tribes was taken into consideration; and it was ascertained that the treaties with Burmah and Manipore make no provision for any intermediate independent territory between those countries and British India, and that the Angami Nagas are not independent, except in the sense that the British Government has hitherto refrained from reducing them to practical subjection, and has in general left them entirely to themselves. Since 1854, the Nagas have made as many as 20 incursions into the plains, and have killed, wounded, or carried into slavery, no less than 250 persons. The time, therefore, seemed to have come for the British Government to re-assert its authority over these wild people, and to endeavour to reclaim them to order and civilisation. With this view a re-arrangement has been made of the districts in Cachar, by which the right bank of the river Dhunseeri with the Angami Naga Hills, will be brought under the supervision of an Assistant Commissioner, whose head quarters will be at the commanding position of Samoogooting.

The peace of the hill-tracts of Chittagong was much disturbed by raids committed by the Shindoos, who in one instance carried off 39 men and women into slavery. Police posts have been established on the frontier, in such strength as will, it is thought, be sufficient, with the aid of the Poang Rajah, to check these invasions; and the Commissioner of British Burmah has been directed to take measures for freeing the captives, and for the prevention of such raids in future.

Numerous charges of cattle-lifting having been brought by the Nepalese Government against British subjects, Mr. Gordon, of the Bengal Civil Service, was deputed to report on the state of crime and police on the border. In pursuance of this object, he, in company with the Nepalese Commissioners appointed for the purpose, traversed the whole length of the boundary between Nepal and the Lower Provinces; and his inquiries showed that the specific charges of the Nepalese Government had been enormously exaggerated, but that a great deal of crime did prevail on the frontier, and that cattle-stealing from Nepal by gangs of thieves settled in British territory was very common. The extradition treaties with Nepal have, therefore, been extended so as to include the offences of culpable homicide and cattle-lifting; the border police has been strengthened, and placed under responsible officers; it has been pointed out to the magisterial authorities that the object of the treaties is not to protect criminals by a too rigid adherence to forms, but to further the cause of justice by enabling competent tribunals to investigate credible charges; and an assurance has been received from Maharajah Jung Bahadoor of the willingness of the Nepalese Government to co-operate in these measures, by re-organising its police in the Terai and by freely communicating with the British authorities, in the case of the occurrence of crime.

In order to improve the administration of justice in Cooch Behar, the inefficient native officers have been pensioned, and their places supplied by more capable men. The police force, also, has been thoroughly re-organised, on the system in force throughout British India.

SIKH STATES.

Sirdar Gurbuksh Sing, the chief adviser of the late Rajah of Nabha, one of the Sikh States, having accused the present chief of being the instigator of the death, by poison, of his brother, the late Rajah, and also of the murder of his relative, Mehtab Kour, in British territory, who was supposed to have been cognisant of the crime; while, on the other hand, the Rajah accused the Sirdar himself of being the author of the latter crime, Major Crocroft was deputed to Nabha to investigate the occurrences, in conjunction with the Maharaja of Patiala and the Rajah of Jheend. Their inquiries resulted in the clearance of the Rajah's character from both charges, the late chief having died from natural causes, and in the confirmation of the belief that Sirdar Gurbuksh Sing was guilty of the murder of Mehtab Kour. Having regard to the state of intrigue in the Nabha State, however, it was thought right to give the Sirdar

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an opportunity of defending himself before a British tribunal; and he was accordingly tried at the Umballah court of sessions, and, being ably defended by English counsel, was acquitted, owing rather to the conflicting character of the evidence than to the establishment of his innocence. The Rajah has since been induced to dispense with the services of certain intriguing and disreputable members of his court; and it is hoped that in time the administration will improve.

Only a single raid of importance took place on the north-west frontier during the year, on which occasion a party of the Suleiman Kheyl tribe of Ghilzies attacked an encampment of the Khiretees, in revenge for a similar attack made by the latter in the preceding summer. A detachment of the marauders succeeded in killing seven men, a woman, and a boy, and driving off the cattle and camels of the tribe; but, before they had made good their retreat, they were overtaken by a small party of the 4th Punjab Cavalry, who, after a running fight of some hours, drove the marauders into the hills, and rescued all the cattle. The property of the Suleiman Kheyls within the Dera Ismael Khan district was promptly seized by the Civil authorities, and the tribe was called on to pay compensation to the Khiretees, and a heavy fine to the British Government. The former has been paid, and the latter is being gradually realised as their caravans return from Hindostan.

NORTH-WEST
FRONTIER.

Quarrels having broken out in some villages in the Lundkhor Valley, on the frontier of Eusufzye, and an endeavour to effect a reconciliation proving fruitless, it became necessary to resort to more decided steps to enforce the authority of the Government; and, as the position of the villagers was a strong one, and the probability of their obtaining assistance from Swat and the border tribes was great, it was deemed expedient to employ a considerable force. Accordingly, 3,000 men of the Peshawur Brigade, with a mountain train and battery of horse artillery, under the command of Brigadier General Dunsford, was despatched to the Lundkhor Valley on the 15th of January 1866. Overawed by the presence of so large a force, the people offered no resistance; the three villages were levelled to the ground; the khans of the independent tribes who had taken part in the disturbances, made their submission; and on the 23rd of January the force returned. The villages have been rebuilt upon the plain, where they are accessible, and cannot receive aid from independent tribes. It is a satisfactory evidence of the good results of the Umbeyla campaign, that no aid was given to the refractory British subjects by tribes beyond the border, and that the Akhoond of Swat, recognising the justice of the measure, proclaimed that the duty of subjects was to obey their rulers, and abstain from internecine strife.

Through the exertions of Major Graham, the Deputy Commissioner of Dera Ismael Khan, some of the Mahsood Wuzerees, the most numerous and one of the most warlike tribes on the frontier, have been induced to settle as colonists in the British territory. The success of the experiment is, as yet, doubtful; but it is considered that the small expenditure incurred is well bestowed, as a perseverance in the exercise of humanising influences on the border tribes is more likely to lead to a permanent pacification of the frontier, than their subjection by military force.

Throughout the intestine warfare which broke out in Afghanistan on the death of Dost Mahomed, the policy of the British Government has been one of strict neutrality. While recognising as the Chief of the country, the Ameer, Shere Ali Khan, who was designated by his father as his successor, it has given no encouragement to his enemies; but it has not refused an asylum to refugees from either party, so long as they conduct themselves peaceably, and has replied in friendly language to communications from both sides.

AFGHANISTAN.

In December 1865, an envoy arrived from the Badshah of Khotan (that is, the newly constituted Governor of the Mahomedan population, who had revolted from the Chinese rule), with a communication from that Chief, soliciting assistance from the British Government, and offering to open out a new route for traffic between Elchi, the capital of Khotan, and British India. Every facility was afforded to him of becoming acquainted with the products and manufactures of British India, and he had an interview with the Viceroy at Calcutta. A letter was granted to him, expressing the desire of the British

KHOTAN.

Government to be on friendly terms with the ruler of Khotan, and to encourage commercial relations with that country, but declining to enter into a treaty, on account of the great distance from India, and the difficulties of the way. Shortly before this occurrence, Mr. Johnson, an assistant in the department of the Great Trigonometrical Survey, who was employed on the north-east boundary of Cashmere, received an invitation from the Chief of Khotan, to visit him at Elchi. Mr. Johnson succeeded in penetrating to Khotan, by a new route over the Kiun Liun, through the Gangi Diwan Pass; and, after a sojourn of 16 days at Elchi, he returned by the Sangi Diwan Pass, to Shadula in Cashmere. A detailed account of this journey has been printed by order of the Government.

BAHAWULPORE.

* Page 70.

It was mentioned in the Report * of last year, that, on the death of the Nawab of Bahawulpore, and accession of his infant son, the country had fallen into a state of anarchy. In this condition of affairs, the ministry threw itself upon the protection of the British Government, and repeatedly desired its interference. The Native agent of the Government of India was accordingly directed to take up his residence in the capital, and render to the young Chief and his advisers such assistance as he could by way of friendly counsel, without compromising the neutrality of the Government.

This measure proved very beneficial, in confirming the wavering loyalty of a large portion of the army, and disheartening the rebels; but the state of affairs continued to be very unsatisfactory, and the Durbar again besought the interference of the British Government. Mr. Ford, the Commissioner of Mooltan, was thereupon deputed to Ahmedpoor, nominally to congratulate the young Nawab on his accession, but at the same time to ascertain the wishes of the people with regard to the future administration. Owing to the energy and tact displayed by Mr. Ford, the insurrection which had broken out was quelled; and the Government of India, being at length convinced that the Nawab would be unable to maintain himself on the throne, and that the interests both of the ruler and the people demanded active interference on the part of the British Government, agreed to undertake the administration during the minority of the Prince, under the management of a Political Superintendent. The principle to be held in view, according to the instructions given to the Lieutenant Governor of the Punjab, is to employ as many of the old officials and people of the country as may be found practicable, and to maintain their former designations, the object being rather to improve the native administration than to supersede it by a different system of which the people have no knowledge; so that, when the authority shall be restored to the Nawab, there may be some hope of the improved mode of Government being continued under a trained body of Native officers.

BURMAH.

In August 1866 an attempted 'revolution in Burmah was caused by the resentment of some of the sons of the King against the appointment of his brother as Crown Prince and heir to the throne. The insurgents burst into the royal palace whilst the King was engaged in conversation with the British Agent, and, though his Majesty was rescued, two of his sons and the Crown Prince were killed. The British Agent narrowly escaped with his life, and, having a steamer at Mandalay, brought away all the European and American residents who chose to embark with him. The rebellious princes were subsequently compelled to flee the country and take refuge at Rangoon; and the Chief Commissioner has proceeded to the Burmese capital, in order to take measures for the improvement of the commercial relations subsisting between the Government of India and that of Burmah.

Plans have at various times been submitted by different associations or individuals for the construction of a road or railway between British Burmah and Western China; but, in the absence of a reliable survey, it is impossible to form an opinion respecting the difficulties of the intervening country, and the cost to be incurred in surmounting them. The Government of India have, therefore, been desired, unless they see insuperable objection to such a course, to form a surveying or exploring expedition to ascertain the best route for a road or railway between the frontiers of British Burmah and Kiang Hung in Western China, the consent of the Court of Mandalay, and the other rulers of the territories through which the road must pass, being in the first instance obtained.

In accordance with the Act* passed for the purpose by Parliament in 1866, the administration of the Straits Settlements and the negotiations with the Malayan chiefs were, on the 1st April 1867, transferred to the management of the Colonial Office.

STRAITS SETTLEMENTS.

* Act 29 & 30
Vict. c. 115.

The system of free trade has been in regular operation within the dominions of the Nizam, and the city and cantonments of Hyderabad have been thoroughly supplied with grain, without any interference of the Government. The police administration is improved, the robberies of mail carts have decreased, and there have been none of the great treasure dacoities which used to occur not unfrequently.

THE NIZAM.

The land revenue of Mysore was 754,921*l.* in 1865-66, showing a steady progressive increase, amounting, in the course of the last 10 years, to about 75 per cent. The yield of the coffee plantations has somewhat fallen off in the last year, owing to the excessive drought of that and the preceding seasons. The forest lands available for the cultivation of this plant are rapidly becoming exhausted, and large tracts along the western mountains have been reserved for forest conservancy. The local manufacture of cotton cloth has revived, and work has been resumed on many looms which had been abandoned in consequence of the diversion of the cotton trade to England, while the area of land under cultivation for cotton has fallen during the year from 57,730 to 12,012 acres.

MYSORE.

The number of schools in Mysore receiving aid from the Government has risen, during 1865-66, from 64 to 81, and the number of pupils from 4,333 to 5,642. The Engineering school has made marked progress, but the training schools for teachers do not succeed in attracting the better class of students. In order to improve the condition of the indigenous schools, of which there are some 1,600 within the Province, it is in contemplation to offer rewards to masters of proved efficiency.

The central gaol at Bangalore has been completed, and good progress has been made with the new public offices and civil hospital.

A large tract of country has for the first time been opened up by a road connecting the main road leading to Hassan and the coffee-planting district of Munzerabad; and several bridges have been thrown over the rivers and mountain streams which intersect the Province. A complete system of drainage for the town of Bangalore is being carried into execution. The Soolikerray tank, occupying an area of about 15 square miles, is about to undergo repairs, which will enable the whole country below the tank, which has lain waste for more than 50 years, to be brought under cultivation for rice and garden land.

The receipts of Mysore for the year 1865-66 were 1,091,600*l.*, and the disbursements 1,012,200*l.* In the last four years the income has risen by about nine per cent., and the expenditure by 11 per cent., owing to the larger outlay on public works and the progress of administrative reforms.

Owing to the failure of the autumn rains, the out-turn of the dry crops was for the most part very deficient, and the great rise in prices which has recently occurred is shown by the fact that the various kinds of grain are now from three to five times as dear as they were 10 years ago. Owing to the extravagant rates which ruled the markets in the cotton-growing districts of Bellary and Dharwar, the ryots exported their grain which had been hoarded for years, and in many places there has in consequence been an absolute want of seed for sowing. The people also suffered considerable inconvenience from the want of water, and the distress was aggravated by a visitation of cholera at the close of the year, and by excessive mortality among the cattle, which were decimated through the combined effects of drought and murrain. It is a satisfactory evidence of the material prosperity of the country that, notwithstanding these drawbacks, the revenue should have increased from 104 to 109 lacs of rupees during the year.

The question of the future disposal of the territory of Mysore has lately received the fullest consideration from Her Majesty's Government, in consequence of an appeal from the Maharajah. The decision communicated to the Government of India by Sir Charles Wood, in 1863, and again in 1865, that the Maharajah should not himself be reinstated in the administration, has been upheld; but the letter from his Highness raised the further question, in what manner the territory should be disposed of after his death.

Recognising in the policy which dictated the settlement of 1799 a desire to provide for the maintenance of an Indian dynasty on the throne of Mysore, upon terms which should afford a guarantee for the good government of the people, and also for the security of British rights and interests, and being animated by the same desire which pervaded the Government of that day, it was the earnest wish of Her Majesty that those portions of India not under Her immediate dominion should continue to flourish under Native rulers, co-operating with Her representatives in the promotion of the general prosperity of the country; and, in the case of Mysore more especially, having regard to the antiquity of the Maharajah's family, its long connection with the territory, and the personal loyalty and attachment to the British Government which his Highness had so conspicuously manifested, Her Majesty desired to maintain that family on the throne, in the person of his Highness's adopted son, upon terms corresponding with those made in 1799, so far as the altered circumstances of the time would allow.

In order, however, to secure the welfare of those who have for so long a period been subject to the direct administration of Her Majesty's Government, they felt it their duty, before replacing the people under the rule of a Native sovereign, to take all possible pains with the education of that sovereign, and also to enter into a distinct agreement with him as to the principles upon which he should administer the country, and to obtain sufficient securities for the observance of the agreement.

The Government of India have, accordingly, been desired to propose to the Maharajah that the young prince shall receive, under their superintendence, an education suitable to his rank and position, and calculated to prepare him for the duties of administration, without separating him more than is necessary from those over whom he may hereafter be called upon to rule.

Should the death of the Maharajah occur before the prince has attained his majority, the territory is to be governed in his name, under the same regulations as at present; and, on his reaching a suitable age, the administration of the whole or a portion of the State will be confided to him, an arrangement being previously entered into for the purpose of adequately providing for the maintenance of a system of government well adapted to the wants and interests of the people.

TRAVANCORE.

The judicial reforms in the administration of Travancore, which were initiated in the preceding year, have been persevered in; and important enactments, based upon those of British India, have been passed, on the subject of criminal breach of trust, the appointment of qualified pleaders for the courts, the adjudication of claims to waste lands on their sale under the recent rules, and the limitation of suits. An Act was also passed in 1865-66, to improve the constitution of the district Courts, by reducing the number of judges, rendering it competent for a single judge to sit in civil and criminal cases, and extending the jurisdiction of the courts of the moonsiffs, or native civil judges of the lower grade. The efficiency of the police has been much improved, though its organisation is still far from perfect. The influence of the sanitary improvements in the gaols was felt in their almost entire exemption from small-pox and cholera; and, in these circumstances, the construction of a new central gaol has been postponed, in order to give place to the not less urgent undertaking of the erection of public offices and a large civil dispensary.

In the Crown lands of the State, which are of considerable extent, the Maharajah, as landlord, has hitherto had arbitrary right over the land, and has not been bound to respect possession, or any title accruing therefrom to the tenant. These arbitrary rights have now been relinquished by his Highness, and the lands are declared to be private, heritable, saleable, and otherwise transferable, subject only to the declared assessment. They are thus placed upon a satisfactory footing, which immensely enhances their value, and gives a stimulus to their improvement which will tend largely to develop the agricultural resources of this extensive property.

Reduction of taxation has taken place on the irrigated lands in South Travancore, and upwards of a hundred petty and vexatious taxes have been abolished. The re-assessment of garden lands has been set on foot, but little progress in the measure has as yet been made.

The result of the interportal arrangements mentioned in the Report of 1864-65,

1864-65, during their first year of operation, have been satisfactory, considering the great stagnation of trade. The increase derived from the salt revenue was appropriated by the Maharajah to the abolition of the special duty on areca nut, and to the establishment of hospitals and extension of vernacular education.

The experimental tea and chinchona plantations, which have been established on the Peerméde Hills, appear to be successful.

Considerable advance has been made in educational institutions, and the effect is being felt in the different branches of the administration, in the supply of better qualified servants.

In Cochin some progress has been made in the reform of the judicial administration, and the introduction of the Code of Civil Procedure has already produced a beneficial result, by facilitating the course of justice. Enactments have been passed, similar to those introduced in Travancore, for constituting authorised pleaders in the courts, and for the punishment of criminal breach of contract in certain cases. The bridge at Shoranoor was nearly completed, but it is intended to substitute a tramway for the proposed railway between that place and Cochin.

COCHIN.

The conduct of the Rajah of the petty State of Poodoocottah has led to so deplorable a state of affairs that the Political Agent represented it to be a positive injustice to the people to be subjected to such a rule; and it was proposed to take vigorous measures to ensure good government, by reducing the Rajah to the condition of a zemindar, and imposing on him a contribution to defray the cost of administration. It was, however, determined to give the Rajah one more opportunity of fulfilling the promises of amendment which he has so repeatedly made and broken; and he has been seriously warned that this is the last trial which will be allowed him.

POODOCOTTAH.

In the course of the year, the Governor of Bombay made a tour through the Southern Mahratta country, and at Kolhapoor he congratulated the Rajah in having proved himself worthy, after a long probation, to assume the direct government of his territories. Every department of the State was found to be well administered by his Highness in person, and there was every visible mark of justice being properly administered, and of the people being well governed, prosperous, and contented. More recently, however, intelligence has been received of the death of this young Chief, and of the adoption of a nephew as his successor.

SOUTHERN MAH-
RATTA COUNTRY.

The entire debt of the Kolhapoor State to the British Government, for the expenses incurred in suppressing the insurrection of 1845, has been liquidated; and it may be expected that, freed from this heavy incumbrance, the country will rapidly develop its resources.

At Belgaum, the Governor received the Chiefs of the Province, and expressed to them the pleasure which he would have in seeing them at the capital of the Presidency, which they might readily visit if they would discontinue the custom of moving about with expensive retinues; and the advice thus tendered is said to have made a perceptible impression on their minds.

Some progress in public works has been made by the Chiefs of the Southern Mahratta country; education is being gradually diffused among their dependants, and the financial condition of most of the estates, after years of chronic embarrassment, is now marked by well-assured prosperity.

The attention of the Government being drawn to the position of affairs in Akulcote, the condition of the State was found to be so unfavourable that it was considered necessary to place it under attachment, and to take the management into the hands of the British Government during the lifetime of the Rajah, or until he should appear competent to undertake the administration. The Secretary of State in Council, though regretting that even a distant relative of the Rajah, if fit for the post, had not been appointed Regent, confirmed the arrangement; but he desired that it might be distinctly notified that it was only temporary, and for the benefit of the Rajah and his successors.

The lawless state of some parts of Kattywar was mentioned in the Report * of last year. In Okamundel there seemed a probability of an outbreak, and an additional regiment of native infantry was stationed at Dwarka and in the vicinity of the Burda Hills. The Political Agent devoted himself for several

KATTYWAR.

* Page 72.

months to the task of hunting up the outlaws, and pursuing inquiries regarding the bands which have disturbed the province since 1857.

The internal administration of Kattywar has engaged much of the attention of the Government of India during the past year, and considerable changes have been introduced. Some important alterations have also been made in the organisation of the educational establishments, and the Chiefs have been induced to subscribe more liberally for the object of securing vernacular education to their subjects. Improvements have also been effected in the postal communication, and an exhibition was held at Rajkote of agricultural implements of European manufacture, which have been introduced, while a cotton-cleaning steam factory has been opened at Wudwan.

CUTCH. The revenues of Cutch, which are chiefly derived from sea customs, continued prosperous; and, though the poorer classes suffered from the high price of grain, there was very little violent crime. A girls' school has been opened at Mandavee, with an average daily attendance of 40 or 45.

BHEEL DISTRICTS. The only occurrence which disturbed the tranquillity of the Bheel districts was an incursion by a turbulent freebooter, named Ettai Naik, who was eventually captured.

SIND. Although great distress prevailed amongst the hill tribes on the northern boundary of the Upper Sind frontier, in consequence of a great deficiency of rain, there were only eight thefts, and those cases of simple cattle-lifting, committed during the year by people beyond the frontier. Hundreds of the Boogtee tribe, with their families, are now gaining a livelihood by labouring at canal clearances in the province, who formerly would have attempted, during a season of dearth, to support themselves by cattle-stealing along the border.

KHELAT. The Khan of Khelat has continued to maintain the most friendly relations with the British Government. An attempt to create disturbances met with signal defeat, and the leading conspirators were captured, and are now residing under surveillance at Khelat.

XV. ARMY.

A reduction of the rank and file has been authorised in each regiment of British Cavalry and Infantry on the Indian establishment, to the extent of 56 men in the former and 60 men in the latter branch.

The Battery of Native Horse Artillery at Madras has been broken up; on financial grounds, special advantages being offered to the native officers and men to induce them to accept their pension and discharge.

In the Bengal and Bombay armies the pay of the native troops has been hitherto considered to be composed of two portions, pay proper and batta; and it has been customary, when a native officer or soldier was on leave, to deduct the batta and only give him the bare pay. In the Madras army, however, no such distinction was drawn; and, as the cost of food throughout India has largely increased of late years, it has been determined to assimilate the practice of the other armies to that prevailing in the Madras Presidency, so that in future the native troops will receive full pay on all occasions. The cost of this measure is estimated at 10,000% annually.

A system of minor punishments has been introduced into the native army, by which commanding officers are enabled to exercise certain definite powers for the suppression of crime and maintenance of discipline. The power to award punishment for petty offences, hitherto entrusted to subordinate native officers, has been partially withdrawn or suspended; and the British officers attached to these regiments have been enjoined to exercise a vigilant supervision, with a view of discountenancing and repressing acts of caprice and hasty conduct on the part of native officers of all grades.

The system of obtaining meat for the soldiers' rations by direct Commissariat agency, rather than by contract, was tried at several stations, in the year 1864, with success; and, the Commissary General having expressed his opinion that the plan would answer on active service, and that in the absence of contractors a regular and sufficient supply of meat for an army in the field could be ensured, instructions have been given for an extension of the system, as far as can be done with safety. It is hoped that this measure will conduce to the improvement

improvement of the quality of the rations, while the financial effect of the change is estimated at a saving of 36,000*l.* per annum.

The important question of the best means of affording to the Bengal Army the utmost possible advantage from the establishment of stations in the hills, to the full extent which the political and military necessities of the Government will admit, has been taken into consideration; and it has been decided to adhere to the present system, by which certain entire regiments are placed at hill stations, together with a proportion of soldiers selected from the corps which remain in the plains. Three regiments of infantry will thus be placed at Dugshaie, Subathoo, and Budraj near Mussoorie, and half a regiment of infantry with a garrison battery of artillery at Darjeeling. Five convalescent depôts exist already, at Darjeeling, Nynee Tal, Landour, Kussowlie, and Murree, and a sixth has been ordered for Dalhousie, besides small depôts at Dhurrumsalla and Jutogh (near Kussowlie). The accommodation at each depôt is to be calculated for 500 men, in addition to non-commissioned officers. By these means, about 17 per cent. of the whole force will be stationed in the hills; and the tour of duty is to be so arranged as to enable each regiment in turn to obtain the benefit of a temporary residence in the cooler climate.

Gymnasia are about to be established at certain stations in India, under the superintendence of a director of gymnastics; and Lucknow, Meerut, Rawul Pindee, and Sealkote, have been selected for the erection of gymnasia in Bengal in the first instance, similar buildings being constructed at two stations in each of the other Presidencies. It is contemplated to appoint regimental instructors when the scheme is sufficiently developed.

The experiment of employing soldiers to whitewash their own barracks, and to execute other repairs, has been attended with some success, the work in many instances being done very well, and much more rapidly than if it had been performed by ordinary native labour, and the men of several regiments have expressed themselves anxious in future to have such occupation. European soldiers have also been employed with advantage, and without interfering with discipline, in the construction of a road between the stations of Murree and Abbottabad; and a proposal to make use of their assistance in building barracks, and carrying out the works required for a new cantonment in the hills, is under consideration.

In order to encourage young and inexperienced soldiers to devote their leisure hours to instruction in such trades as they desire to learn, a system of annual prizes has been instituted to promote emulation in the regimental workshops.

At the time when the last statement of the progress of India was presented to Parliament, no decision had been announced in consequence of the report of the Commission presided over by General Sir John Aitchison, respecting the complaints of certain officers of the Indian Army. Shortly afterwards, however, namely, on the 8th of August 1866, the course which Her Majesty's Government had resolved to adopt was communicated to the Governor General in Council.

While pointing out that in some of their recommendations the Commissioners had not confined themselves strictly to the matters submitted for their consideration, and declining to re-open a question which had been finally disposed of by Lord Cranworth's Commission, Her Majesty's Government nevertheless determined to adopt, as far as possible, those suggestions which were not inconsistent with the opinions expressed by the former Commission; and, further, in order to remove all ground of complaint on the part of the officers who had received brevet but not substantive rank under the rules of 1864, they modified the rules relating to the admission to and promotion in the Staff Corps.

The following alterations of the previous rules were, therefore, notified to the Army.

The promotions of certain lieutenant colonels in Madras and Bombay were antedated to the 1st of January 1862.

All officers of the cavalry and infantry who attained the rank of regimental lieutenant colonel prior to that date, and Staff Corps officers who attained the same rank before the formation of those corps, were, on the completion of 10 years' service in that grade, to receive colonel's allowance, in the event of their not having already received it in ordinary succession.

The retiring regulations of 1837 were extended by the addition of pensions of 600*l.* after 35, and 750*l.* after 38 years' service.

The qualifying period of staff service, which had been required for entrance into the Staff Corps, was dispensed with as regards officers who had already entered it; and permission to join the Staff Corps was offered without restriction to all officers of the cadres of cavalry and infantry, promotion being granted from the date of receipt of the Secretary of State's Despatch to officers who would obtain it under this modification of the existing rule.

To all officers who might thus enter or have entered the Staff Corps, colonel's allowance was to be granted after 12 years' service in the grade of substantive lieutenant colonel, and the brevet rank of lieutenant colonel granted under the rules of 1864 was to be considered as substantive rank for this purpose.

In the Despatch conveying these instructions, Her Majesty's Government did not enter into the question of the claims made by many of the officers to compensation for money contributed by them towards the regimental retiring funds, seeing that those claims could not be justly supported by reference to the Parliamentary guarantee, as had been very clearly demonstrated by Lord Cranworth's Commission. Her Majesty's Government, however, being unwilling to leave to the officers generally any ground of complaint which could with propriety be removed, Lord Cranborne, in another Despatch of the same date, gave directions for the investigation of any claims preferred by officers on the ground of sums of money having been spent by them in purchasing the retirement of their seniors, and of their being now deprived, by the changes in the organization of the Army, of the opportunity of reaping a corresponding advantage.

It was accordingly directed that a committee should be formed at each Presidency to examine the claim of any officer below the rank of colonel commandant if in the artillery or engineers, and below that of regimental lieutenant colonel if in the cavalry or infantry, who, on proposing to retire, or having retired since the 18th of February 1861, would submit his title to compensation, with a declaration as to the sum, if any, which he had received or expected to receive, from the officers of his cadre on retirement. The committee were to ascertain the number of retirements among his brother officers to which he had contributed, with the amount paid in each case, and to subtract therefrom the estimated value of the advance in rank or position accruing to him under those arrangements, as well as the sum paid or to be paid to himself by the officers of his cadre on retirement, and the value of any special annuity granted to him in addition to the regulated pension; and the balance was to be paid to the retiring officer on his resignation appearing in orders.

In carrying these instructions into effect, the Government of India laid down certain general principles for the guidance of the Committees; but, while considering that they were in the main calculated to facilitate the investigation of the claims of officers, the Secretary of State did not think that the intentions of Her Majesty's Government would be so fully carried out under those general regulations as by a more particular inquiry into each case; and he has, therefore, desired that the instructions contained in Lord Cranborne's Despatches may be fully acted upon, and that each case may be considered upon its own merits, the main point being borne in mind that each officer concerned shall, as far as possible, be secured from absolute loss upon the money which he has actually paid throughout his entire service with a view to the purchase of promotion.

The rule requiring subaltern officers to vacate their regimental staff appointments of adjutant and quartermaster on promotion, has been so far modified that, in future, an officer holding such an appointment, if possessing special qualifications and recommended by his commanding officer, will be allowed to retain it after becoming a captain; the rule precluding the nomination of an officer to such a situation after he has attained that rank will, however, continue to be in force.

On the formation of the staff corps in 1861, it was decided that pensions should be granted to the widows and families of officers of the British service who might join those corps, not less in amount than they would have received under the provisions of the Royal Warrant of 1855. A rule has now been passed, that claims to pension in such cases, and also those of the widows and families of medical officers or chaplains who have entered the service under the

new conditions, shall be treated in accordance with whatever Royal Warrant may be in force at the time being as regards the British army.

In the Session of 1866, an Act of Parliament was passed, authorising the directors and managers of the several military funds and the Bengal Military Orphan Society to make over the assets, liabilities, and management of those institutions to the Secretary of State for India in Council, in accordance with a proposition which had been submitted to the subscribers, and in each instance carried by a large majority of votes; and the business of the funds was so transferred in the following autumn. Power was given by the same Act to the Government to accept the transfer of the medical funds in a similar manner, in the event of the subscribers hereafter signifying their desire to make them over, a majority of not less than three-fourths of those voting on the question being necessary to effect the arrangement.

Officers leaving the Indian army to join the line regiments, or Royal Artillery or Engineers, are allowed to withdraw from the funds, or, if they prefer it, to continue to subscribe, at Indian or European rates, according as they may or may not be drawing Indian allowances.

The report of the actuary employed by the Bengal Medical Retiring Fund to investigate the condition of that institution appeared to the Government to justify the belief of the subscribers that, but for the changes in the constitution of the medical establishment, they would have been enabled to grant a seventh annuity each year, as conditionally sanctioned by the Court of Directors in 1854; and permission has, therefore, been given for the allotment of a seventh annuity, with retrospective effect from 1862.

A benefit of considerable importance has been granted to the children of those officers of the Bengal army who died previously to 1856, inasmuch as, while the rule of the Military Orphan Society required all female orphans to proceed to India on attaining the age of 18, or to forfeit their pensions, they are now allowed reduced pensions of 30 *l.* per annum while they remain in Europe.

In reorganising the Medical Department in India, it was found impossible to amalgamate the staff of the British and Indian services. The establishment has, therefore, been revised in a manner calculated to secure efficiency in both branches, the financial result being an estimated increase of annual cost to the extent of 30,480 *l.* on account of the British medical staff, against which is to be set a saving of 18,000 *l.* per annum in the staff of the local army.

The report of the Commission on the future organization and staff salaries of the Indian Medical Department did not prove satisfactory; and the Government of India have been requested to revise it, salaries allotted for civil duties being in all cases consolidated, and irrespective of the army rank held by the incumbent.

Three new corps of volunteers were enrolled in the Bengal Presidency during the year 1865-66, namely, the Orissa Volunteer Infantry in Cuttack, the Assam Volunteer Cavalry at Debrooghur, and a company of infantry volunteers at Golaghaut; each of these corps numbers from 60 to 100 gentlemen in its ranks.

XVI. MARINE.

The screw-pile moorings and chains, which were sent out for the port of Calcutta, in consequence of the destruction of the old moorings by the cyclone of 1864, were not found to be thoroughly adapted to the shifting bed of the Hooghly; and experiments are being made to test the relative merits of two different plans, the one consisting in the laying of the same moorings amended by a change in the form of the shackle, while the distinctive feature of the other is a ponderous and continuous ground-chain, kept in its place by screw-piles.

The measures taken to provide for the number of seamen thrown out of employment by the cyclone, drew attention to the existence, in the port of Calcutta, of a large population of unemployed sailors. To remedy this state of things, the Shipping Master, whose office will in future be held by the Collector of Customs for the time being, was directed to adhere carefully to the rules of the Merchant Shipping Acts in regard to discharges; and the Board of Trade

were requested to insist upon owners and masters of ships finding a passage home, in default of employment, for crews shipped only for the voyage to Calcutta, and for seamen committed to gaol, whose misconduct might have been shown to be attributable to bad or injudicious treatment on board. River-side dispensaries have also been established, and employment on public works has been found for sailors sentenced to imprisonment for breaches of discipline and petty offences. The effect of these measures has been that the number of unemployed seamen was reduced from 442 in January 1865, and 202 in the following September, to only 65 in May 1866.

XVII. TRADE.

The trade between Bengal and America revived in the year 1865-66, the exports in that country from Calcutta being valued at 750,000 *l.*, as compared with 430,000 *l.* in 1864-65.

The number of vessels which arrived at the port of Calcutta was 1,089, with a tonnage of 801,170 tons. Those which cleared out were 1,120 in number, and the tonnage was 854,440 tons.

The imports of piece goods, cotton twist, and raw silk into British Burmah amounted in 1865-66 to the value of 1,300,000 *l.*,—no small quantity for the use of a population of a little above 2½ millions. The inland trade with Burmah also has rapidly increased since the abolition of the frontier duties on the British side of the border in 1863.

Trade between Yunan and Mandalay was re-opened during the year under review, and about 10,000 laden mules arrived at the Burmese capital.

The total amount of merchandise imported into the Madras Presidency in 1865-66 was valued at 2,513,089 *l.*, and the treasure at 1,981,176 *l.*, the corresponding amounts for the previous year having been 2,230,156 *l.* and 2,032,533 *l.* respectively. The merchandise exported amounted to 7,607,334 *l.* in 1865-66, as compared with 6,815,942 *l.* in 1864-65; and the exports of treasure were worth 161,683 *l.*, instead of 104,245 *l.* in the previous year. The number of vessels which arrived at the several Madras ports from foreign countries in 1865-66 was 3,185, with a tonnage of 471,268 tons; in the same period 3,549 vessels departed, of which the tonnage was 567,749 tons.

In Bombay, the merchandise imported in 1865-66 was valued at 13,969,752 *l.* in place of 14,462,860 *l.* in the preceding year; while the treasure amounted to 16,116,390 *l.*, as compared with 12,196,508 *l.* in 1864-65. The value of the merchandise exported was 35,743,176 *l.* in 1865-66, in place of 40,552,077 *l.* in 1864-65; and the treasure exported was 1,122,281 *l.*, against 1,080,824 *l.* in the previous year. The number of vessels entering ports in the Bombay Presidency from foreign countries was 1,194 in 1865-66, with a tonnage of 535,492 tons; and the number departed was 1,148, with 559,349 tons.

The full returns from Bengal and British Burmah not having been received, no general statement of the trade of the whole of India can be given for the year 1865-66; but some details respecting the imports into the United Kingdom from India, during the calendar year ended on the 31st of December 1866, are shown in the Trade and Navigation Returns published by the Board of Trade. It therein appears that the amount of raw cotton imported from India in 1866 was 5,493,770 cwts., as compared with 3,981,675 cwts. in 1865; the trade in hemp also showed an increase from 17,867 to 26,875 cwts.; of untanned hides, 189,281 cwts. were imported in 1866, in place of 173,451 cwts. in 1865; the imports of wool rose from 17,105,617 lbs. to 25,679,969 lbs.; and 74,256 cwts. of indigo were received, against 66,506 in the previous year. On the other hand, the imports of flaxseed and linseed showed the large decrease represented by 744,679 quarters in 1865, and only 267,739 in 1866; raw silk fell from 183,224 lbs. to 123,561 lbs., and silk manufactures from 86,057 to 57,816 pieces; 360,491 cwts. of sugar were imported in 1866, as compared with 448,029 cwts. in 1865; and of petroleum only 120 tons were received, in place of 1,417 tons in the preceding year.

The value of the British and Irish produce and manufactures exported to India was 19,957,342 *l.* in 1866, against 18,260,413 *l.* in 1865; and the amount of silver bullion sent from England, the greater part of which was destined for India, fell from 2,944,899 *l.* in 1865 to 2,148,286 *l.* in 1866.

The number of vessels entering at British ports from the East Indies in 1865

1865 differed little from the return for 1866, 991 having arrived in the former year, with a tonnage of 834,895 tons, and 1,011 vessels in the latter year, with 871,174 tons. There was, however, a very considerable increase in the departures, the number of ships having risen from 907 to 1,065, and the tonnage from 779,474 to no less than 1,594,453 tons.

XVIII. STATISTICAL TABLES.

In the preparation of the statement of the progress of India during 1864-5, great want was felt of recent and accurate statistics respecting the advancement, either material or moral, which had been made in the several branches of the government in the course of the preceding twelvemonth. The trade and navigation returns were of too old a date to be applicable to the year under review; and the tables appended to the Administration Reports of the several Provinces were not framed in such a manner that they could be collected together, so as to give a fair idea of the progress of the whole Indian Empire.

This defect was accordingly pointed out to the Government of India, who, in reply, transmitted a set of forms which had been prepared by the Statistical Committee sitting at Calcutta, based, as far as the circumstances of India would permit, on the model adopted by the International Statistical Committee of 1860. These returns are divided into five principal headings, and comprise full particulars on the various points respecting which information is likely to be desired by those interested in the progress of our Indian Empire. The first class, containing statistics of physical, political, and fiscal geography, will show the area, character of the surface, and climate of the several British districts and Native States; the political relations existing with the latter; the character of the administration in the civil divisions of British territory; the population classified according to sex, religion, and occupation; the extent of land surveyed, the rate of assessment, the nature of the tenure, and description of the revenue realised. In the second class, or statistics of protection, are comprised statements relating to the course of legislation, the working of the judicial courts, the mode in which the prisons are conducted, and the character of the police force, army, and marine establishment. The third part, concerning production and distribution, includes the subjects of finance, public works, agriculture, prices of produce and labour, mines and quarries, manufactures and trade, coinage and currency and charitable institutions. Under the fourth heading will be found statistics of instruction, including the ecclesiastical and educational establishments, scientific and literary societies, and the press. The fifth portion will contain returns relating to life, the number of births, marriages, and deaths, the working of the dispensaries and hospitals, and the operations of the vaccination department.

It is not expected that, for the present at any rate, the whole of these forms can be filled up with accuracy; but it is believed that much of the information is already in existence, and can be readily given if the Government officers understand in what manner it is desired that the returns should be made; and the adoption of the forms has therefore been sanctioned, due discretion being exercised to avoid giving offence to the prejudices of the people.

A very useful and interesting paper* has been compiled in the Statistical Department of the India Office, showing in a compact form the particulars, so far as they are on record, of the area and population, revenue and expenditure, debt, shipping and tonnage, import, export, and bullion trade, coinage, emigration, railways, post office, army, education, public works, and telegraph, of India, from the year 1840 to 1865.

* Statistical abstract relating to British India, presented to Parliament 1867.

According to this return, the population of the portion of India which is under British administration is 144,674,615; that of the Native States, 47,909,199; and that of the territories under the French and Portuguese Governments, 517,149, the total population of India (exclusive of the Straits Settlements) being 193,100,963.

The gross revenue of British India showed, with scarcely an interruption, a steady annual increase from 20,124,038 *l.* in 1839-40 to 31,706,776 *l.* in 1857-58. In the next three years more than eleven millions sterling were added to the

receipts, which were 36,060,788*l.* in 1858-59, 39,705,822*l.* in 1859-60, and 42,903,234*l.* in 1860-61. The highest point was reached in the last year shown in this paper, namely, 1864-65, when they amounted to 45,652,897*l.* The gross expenditure, which in 1839-40 was 22,228,011*l.*, had risen by the year ending on the 30th of April 1857 to 31,608,875*l.*; in the three following years it amounted, in consequence of the heavy expenses attendant on the suppression of the Mutiny, to 41,240,571*l.*, 51,056,930*l.*, and 51,861,720*l.*, respectively. On the reduction of the military expenditure taking effect, the charges fell to 48,154,087*l.* in 1860-61, 44,870,232*l.* in 1861-62, and 44,053,122*l.* in 1862-63, since which date they have again risen to 46,450,990*l.* in 1864-65.

In the first 10 years of this return, comprising as they do the period of the Affghan, Sikh, and Punjab wars, there was an annual deficiency varying from 627,401*l.* to 2,103,973*l.*; but from 1849-50 to 1852-53 there was a surplus each year, averaging about 630,000*l.* Three more years of deficit, and a small surplus of 82,140*l.* in 1856-57, were succeeded by the enormous deficiencies of 9,533,795*l.* in 1857-58, 14,996,142*l.* in 1858-59, and 12,155,898*l.* in 1859-60. This was reduced to 5,250,853*l.* in 1860-61, and 1,040,760*l.* in 1861-62, which was followed by the prosperous year 1862-63, when a surplus of 1,090,630*l.* was realised. In 1863-64 there was a deficit of 368,974*l.*, and in 1864-65 of 798,093*l.*

It may not be uninteresting to note the progress of some of the principal sources of the revenue during the last 26 years.

The receipts from the land have risen from 12,273,982*l.* to 20,095,061*l.* The excise and forest revenue, which in 1839-40 gave 783,379*l.*, produced 2,575,793*l.* in 1864-65. The income and assessed taxes, or those of a similar nature, levied under the form of a tax on houses or trades, yielded from 1839-40 to 1858-59 about 115,000*l.*, and in the last five years have been made to contribute an average of 1,560,000*l.* to the public revenues. The customs duties, which varied from 1,170,000*l.* to 1,684,762*l.* in the first 16 years of this period, rose to upwards of two millions sterling in 1855-56, and in 1859-60, and the following year produced 3,872,053*l.* and 4,161,501*l.*; on the repeal of some of the duties in 1861-62, the receipts fell, and the amount realised in 1864-65 was 2,296,929*l.* The produce of the salt-tax fluctuated from about two to three millions sterling in the years between 1839-40 and 1859-60; in 1860-61 it rose to 3,805,124*l.*, in 1861-62 to 4,563,082*l.*, in 1862-63 to 5,244,150*l.*, and in 1864-65 to 5,523,584*l.* The receipts from opium were not more than 784,266*l.* in 1839-40, but they rapidly increased till 1846-47, when they amounted to 3,678,206*l.*: from this time they fluctuated considerably, till in 1852-53 they exceeded five millions, and in 1857-58 attained to the sum of 6,864,209*l.*; in 1859-60 they were a million lower, but again rose, and in 1862-63 produced no less than 8,055,476*l.*; in the following year they were less by so great a difference as 1,200,000*l.*, but in 1864-65 they were higher than in any year on record except 1862-63, the amount being 7,361,405*l.* Stamps rose from 427,687*l.* in 1839-40, at a little above which sum they remained for many years, to 530,366*l.* in 1853-54, 622,165*l.* in 1856-57, and 737,527*l.* in 1859-60; they then rapidly increased to 1,182,781*l.* in 1860-61, 1,693,217*l.* in 1861-62, and 1,972,098*l.* in 1864-65.

The public debt of India amounted in 1839-40 to 34,484,997*l.*, from which time it was augmented by an average annual increase of a little under a million and a half sterling, till it was, on the 30th of April 1857, 59,461,969*l.* An addition of upwards of 38 millions in the next three years brought it up to 98,107,460*l.* in 1859-60, and in 1861-62 it attained its highest point, when it amounted to 107,514,159*l.* From that date it has been gradually reduced, and in 1864-65 had been brought down to 98,477,555*l.*

In 1841 the tonnage of all vessels entering and clearing at ports of British India was 2,181,360 tons, of which 954,586 was that of other than native craft. In 1864-65 the total tonnage was 7,920,917 tons, of which the European and American portion was 6,338,053 tons, 5,417,521 being the tonnage of British vessels.

The value of the merchandise imported into British India, by sea, was in 1841, 8,415,940*l.* from which amount it did not greatly vary (except in 1845, when it was 10,754,066*l.*) up to the year 1849. From 1850 to 1853 it averaged 11 millions sterling, when it steadily increased to 15,277,629*l.* in 1858. In

the

the following year it amounted to 21,728,579*l.*, and in 1860 to 24,265,140*l.* It then fell to 22,320,432*l.* in 1862, but again rose to 27,145,590*l.* in 1864, and 28,150,923*l.* in 1865.

Of the total imports, the value of cotton twist and yarn was in 1849, 909,016*l.*, and in 1865, 2,191,440*l.* The cotton goods imported were valued in 1849 at 2,222,089*l.*, in 1858, at 4,782,698*l.*, in 1859 at 8,088,927*l.*, and in 1865 at 11,035,885*l.*

The amount of treasure imported from 1841 to 1855 varied from 1,786,253*l.* to 6,831,377*l.*, the average of the 15 years being a little over three millions and a half. In 1856 it made a sudden start to 11,301,288*l.*, and an average of 13,700,000*l.* was imported in that and the following six years. In 1863 another great increase occurred, the value of the treasure taken to India in that year being 20,508,967*l.*; in 1864, 22,962,581*l.*; and in 1865, 21,363,352*l.*

The value of the exports was 13,822,070*l.* in 1841, 18,705,439*l.* in 1851, and 34,090,154*l.* in 1861. In 1863 it had risen to 48,970,785*l.*; in 1864 it was no less than 66,895,884*l.*; and in 1865, 69,471,791*l.*

The chief article of export is raw cotton, the trade in which has sprung up to a remarkable extent since the commencement of the American war. In 1849 the value of the quantity exported was 1,775,309*l.*, and in 1859 it had gradually risen, after many fluctuations, to 4,094,100*l.* In the four following years the value was declared at 5,637,624*l.*, 7,342,168*l.*, 10,203,470*l.*, and 18,779,040*l.* In 1864 it rose to 35,864,795*l.*, and in 1865 to 37,573,637*l.* Next to the trade in cotton, the most valuable article of export is opium, which has risen from 5,772,526*l.* in 1849, to 9,911,804*l.* in 1865. Rice was exported in 1865 to the value of 5,573,537*l.*, the return for grain of all sorts in 1849 not having exceeded 858,691*l.* Seeds of all kinds exported in 1865 were valued at 1,912,433*l.*; jute at 1,307,844*l.*; raw silk at 1,165,901*l.*; and wool at 1,151,002*l.* In all these articles the trade has grown up to its present dimensions within recent years; but that in indigo, on the other hand, has been nearly stationary, the value exported in 1849 being 2,093,474*l.*; in 1856 (the highest year), 2,424,332*l.*; in 1865, 1,860,141*l.*; and the average of the 17 years being a very little below 2,000,000*l.* The only article of importance which shows a material falling-off is sugar and sugar-candy, the average of which was from 1849 to 1853, 1,819,000*l.*, and from 1862 to 1865, only 651,000*l.*

The total amount of money coined at the several Indian mints, from 1841 to 1865, is 146,470,980*l.*, in the proportions of 1,621,637*l.* of gold coin, 142,308,499*l.* of silver, and 2,540,844*l.* of copper.

The emigration returns commence from the year 1856, and, during the 10 years which they include, 234,948 persons have embarked from India, of whom 155,000 proceeded to Mauritius, 54,512 to the West Indies, and the remainder to Réunion, Natal, or British Guiana.

The paid-up capital of the several railway companies in India amounted on the 31st of December 1865 to 60,039,043*l.*, of which 58,679,990*l.* had been expended. The amount of interest paid up to the same date was 15,965,856*l.* The length of line open on the 30th of June 1865 was 2,747 miles, and the net receipts for the year ending on that day, after defraying the working expenses, were 1,409,632*l.*

The receipts of the post-office in India amounted to 362,333*l.* in 1865, or upwards of 60,000*l.* less than the expenditure.

The European troops in India in the year 1839-40 numbered 35,604, and the Native forces 199,839. In 1842-43 there were 46,726 Europeans, and 220,947 Natives. This proportion was not materially changed down to 1856-57, when the number of European soldiers was 45,522, and of natives 232,224. In 1858-59, however, there were 106,290 Europeans, and only 196,243 Natives; but both forces have been considerably reduced since that time, and in 1864-65 the strength of the Indian armies was 71,880 Europeans, and 118,315 Native troops.

In 1857, there were 6,944 European and 8,963 Native Artillery; 3,136 European and 30,473 Native Cavalry; and 33,254 European and 185,047 Native Infantry. In 1865 the force was composed as follows:—Staff and Staff Corps, 1,406; Engineers, Sappers, and Miners, 438 European and 2,823 Native; Artillery, 13,672 European and 1,465 Native; Cavalry, 6,274 European and 14,674 Native; Infantry, 48,945 European and 99,353 Native; and 1,145 Invalids, Veterans, and Warrant Officers.

In 1858, the number of admissions into hospital among the European troops was 2,262 for every 1,000 men; the deaths were 57, and the number invalided 27 per 1,000. In 1865, the admissions into hospital were 1,593, the deaths 24, and the invalids 43, per 1,000 of the mean strength.

The educational statistics for past years are so imperfect as to render it difficult to draw a fair comparison which will show the progress made in recent years. In 1856-57, there were 8,490 institutions under the superintendence of the Government, with an average attendance of 190,656 pupils; in 1864-65, there were 17,117 institutions, and the number of scholars was 435,898. The expenditure by the Government in the last mentioned year was 391,277 *l.*, and that from private sources was 222,517 *l.*

About 30 millions of money has been spent on works of public improvement between the years 1853-54 and 1864-65, or an average, if allowance be made for the interruption of all progress during the mutiny, of about three millions per annum; the outlay on original works (excluding repairs) in each of the years 1863-64 and 1864-5 was upwards of 2,700,000 *l.* These amounts do not include the expenditure on military works or civil buildings, which, if added, would raise the total sum annually laid out at present to nearly four and a half millions sterling; nor is any mention here made of the allotments for State expenditure on guaranteed and aided undertakings, loss by exchange, grant from the 1 per cent. income tax exclusively devoted to local works, or the unappropriated grant remaining at the disposal of the Government for special distribution wherever most needed.

The last of these tables relates to the working of the telegraph, the first 82 miles of which were opened in 1851-52, while in 1863-64 there were 11,736 miles of wire in working order.

Henry Waterfield.

India Office, April 1867.

EAST INDIA (PROGRESS AND
CONDITION).

STATEMENT

OF THE

MORAL AND MATERIAL PROGRESS

OF

I N D I A,

1865-66.

(Presented pursuant to Act of Parliament.)

*Ordered, by The House of Commons, to be Printed,
2 May 1867.*

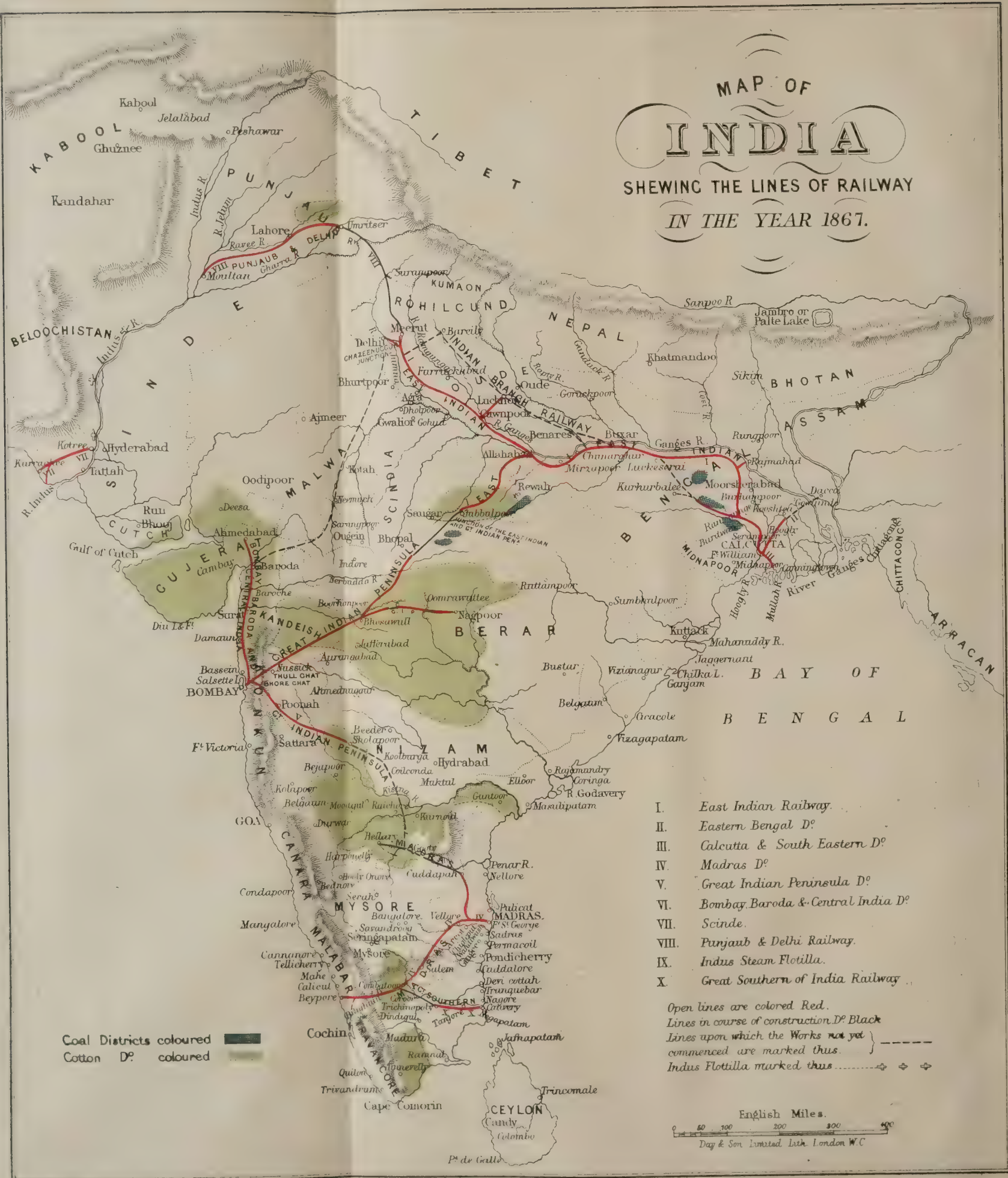
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MAP OF INDIA

SHEWING THE LINES OF RAILWAY
IN THE YEAR 1867.



685

REPORT

TO

THE SECRETARY OF STATE FOR INDIA IN COUNCIL

ON

RAILWAYS IN INDIA,

FOR THE YEAR

1866-67.

BY JULAND DANVERS, ESQ.,

GOVERNMENT DIRECTOR OF THE INDIAN RAILWAY COMPANIES.

Presented to both Houses of Parliament by Command of Her Majesty.



LONDON:

PRINTED BY GEORGE EDWARD EYRE AND WILLIAM SPOTTISWOODE,
PRINTERS TO THE QUEEN'S MOST EXCELLENT MAJESTY.

FOR HER MAJESTY'S STATIONERY OFFICE.

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REPORT.

To the Right Honourable Sir STAFFORD H. NORTHCOTE, Bart., M.P., Secretary of State for India.

SIR,

India Office, 8th May 1867.

I HAVE the honour to lay before you the following Report on Railways in India for the year 1866, with a review of their financial position at the close of the official year 1866-67.

2. The year has not been one of uninterrupted prosperity. Several events have contributed to disturb the even course of progress. There have been financial disasters in this country which have checked the raising of capital. There have been commercial difficulties in India which have interfered with the development of traffic. The droughts in some parts of the country and the unprecedented floods in other parts, have also had an injurious effect both upon the works and upon the general business of the lines. The deficiency in the funds of some of the Companies was not, however, allowed to impede the progress of construction, the Government having always made the necessary advances, which, at times, amounted to more than a million sterling in excess of the sums raised. And although a greater portion of the year has been an unfavourable one for traffic, the two great Companies, the East Indian and the Great Indian Peninsula, realized profits during the earlier half, which enabled them, for the first time, to divide among their shareholders a larger dividend than the 5 per cent. interest guaranteed to them by the Government. While, therefore, the past year has presented some features of a gloomy character, it has, upon the whole, produced results which are very encouraging for the future.

3. At the commencement of the year 1866, there were three thousand three hundred and thirty-one (3,331) miles of railway open for traffic. Two hundred and five (205) miles were finished during the year 1866, and one hundred and one (101) miles since, so that there are now three thousand six hundred and thirty-seven (3,637) miles of railway open in India. Of the three hundred and six (306) miles which have been added since the 1st January 1866, one hundred and fifty and a half ($150\frac{1}{2}$) belong to the Great Indian Peninsula, forty-seven and a half ($47\frac{1}{2}$) to the Great Southern, thirty (30) to the Delhi, thirty-four (34) to the Madras, forty-two (42) to the Indian Branch Railway, and two (2) to the East Indian. The last-mentioned section is small in length, but it is important in character, as it includes the fine girder bridge which crosses the River Jumna at Delhi, and gives the East Indian and the Delhi Railways access to that city. The additions to the Great Indian Peninsula Railway include the last section of the line to Nagpore, the present terminus of that line in the great cotton districts of Central India. The completion of this branch places India in a better position than she has ever yet been in for providing this country with cotton. It is to be hoped and expected that the facilities now afforded for its transport will be followed by an improvement in its cultivation and in the mode of preparing and packing it for its ultimate destination.

Progress during the year 1866.

4. Fair progress has been made in the lines in course of execution. The expectation which was held out that the East Indian line to Jubbulpore would be opened by the cold season of this year is likely to be anticipated, news having just been received that the first train traversed the line from Allahabad to Jubbulpore on the 2d May, and that it would probably be opened to the public on the 1st June. The Great Indian Peninsula Railway, which joins it at the latter place, will, it is expected, be finished by October or November 1868, and a through communication will then be established between Bombay and Calcutta.

Railways in course of construction.

5. Satisfactory progress has been made on the Delhi Railway works. The section of thirty-five miles above referred to, which was opened last month, lies between Meerut and Ghazeeabad, at which place it forms a junction with the East Indian Railway.

6. The doubling of the East Indian line from Luckeserai (the junction of the chord line) to Allahabad is being proceeded with, so that when in 1868 or 1869 the chord line is opened, there will be a double track the whole way between Calcutta and Allahabad. On the Great Indian Peninsula Railway, the doubling of 245½ miles is also being carried on. When this work is completed, 322 miles of the line will be double.

7. The following table shows the length of each line now open for traffic and the extent remaining to be finished.

Railway.	Total Length as at present sanctioned (given approximately).	Length opened during 1866.	Length opened since 1st January 1866.	Total Length now opened (1st May 1867).	Length remaining to be finished in			
					1867.	1868.	1869 and subsequently.	Total.
East Indian - { Main line -	1,276½	2	—	1,131½	—	—	145	145
Jubbulpore line -	225	—	—	—	225	—	—	225
Great Indian Peninsula -	1,266¾	121½	29	852½	141	281	—	422
Madras - { S.-W. line, including Bangalore branch -	492	—	—	492	—	—	—	—
N.-W. line -	333	34	—	153	—	60	120	180
Bombay, Baroda, and Central India -	312½	—	—	306	—	6½	—	6½
Scinde - - - -	109	—	—	109	—	—	—	—
Punjab - - - -	253	—	—	253	—	—	—	—
„ Delhi - - - -	320	—	30	30	27	117	141	285
Eastern Bengal - - -	159	—	—	114	—	—	45	45
Great Southern - - -	166	47½	—	126	39½	—	—	39½
Calcutta and South-Eastern - -	29	—	—	29	—	—	—	—
Indian Branch - - -	700	—	42	42	—	—	658	658
Total - - - -	5,641½	204¾	101	3,637¾	432	464½	1,109	2,005½

Indian Branch
Railway Company's
how guaranteed.

8. It will be observed that a new name has been included in the above list, and that 5,626 miles instead of 4,944, as last reported, have been sanctioned under the guarantee system. In my report for the year 1865-66, I explained the terms upon which it had been proposed that the Indian Branch Railway Company should undertake to construct a system of railways through Oude and Rohilkund, with branches to various places on the East Indian Railway. With considerable difficulty, and not without a loan from the Government, the Company obtained just sufficient funds, viz., 225,000*l.*, to enable them to construct a line from Cawnpore to Lucknow in Oude, a distance of 42 miles, having previously executed a branch line to Moorshedabad from the Nulhatee station of the East Indian Railway in Bengal; but it was not found possible to induce the public to subscribe a larger amount of capital upon the terms granted.

9. The districts of Oude and Rohilkund through which this Company's system passes are populous and highly productive, and have obtained the name of the garden of India. There are no engineering difficulties and very few works of great magnitude, except the bridges over the Ganges, which will have to be made if the full benefits of the lines are to be secured. There was thus every prospect that the proposed line, if properly constructed and well managed, would soon pay; but all these advantages were of no avail. It would appear that, at present, the guarantee by Government of a certain return upon the capital subscribed is required to induce the public to subscribe any considerable amount for works of this kind in India. It became necessary, therefore, to consider whether the scheme should be abandoned, or whether it should be carried out under the guarantee system. The admission of the Company into the favoured list above given, shows the decision arrived at. One of the last acts of Lord Cranborne, before leaving office, was to offer the guarantee to the Branch Railway Company, upon similar but somewhat modified terms to those contained in existing contracts.

New Form of Con-
tract.

10. The form of these contracts was settled eighteen years ago, and the experience which has been gained since that time suggested various alterations in the details

of the agreements, but in the main the terms are the same, and are, if anything, more favourable for the Company. In the old contract the guarantee is given for 99 years, and at the end of that period the railway lapses to Government; but these provisions are practically annulled by the power which the Company has of surrendering the railway to the Government at any time before the expiration of the 99 years (at the 98th year, for example), and receiving back from the Government the capital expended. In the new contract there is no period fixed for the termination of the guarantee or of the interest of the Company in the undertaking, but the Government have the power of taking possession of the line after the first 20 years of the agreement, or at the expiration of any ten years thereafter. In the event of their exercising this power within 100 years, they will have to pay to the Company a sum equivalent to the average value of the stock during the three preceding years. If they do not exercise the power until after 100 years, they only have to pay back the capital expended.

11. In both contracts the Companies have the power of surrendering the railway to the Government any time after it has been opened for six months; and in the event of this being done, the Government in like manner pay back the capital expended.

12. There is a preliminary provision in the new contract, which is not in the old, empowering the Secretary of State, if after the surveys have been made he should consider it undesirable to proceed with the work, to terminate the contract by paying the expenses of such surveys and returning to the Company any money they may have paid into the Government Treasury.

13. Instead of 1s. 10d. being the rate at which, in the transactions between the Government and the Companies, the rupee is converted into sterling, 2s. is to be the rate for the future.

14. With respect to fares, it is provided that a maximum rate shall be fixed by the Government, and that the Company shall be allowed to charge such rates as they shall think fit within the limits prescribed. There is no such provision in former contracts, but the principle has been acknowledged by the Secretary of State as applicable to all the Companies.

15. The division of surplus profits is to be made yearly, instead of half-yearly as provided in the old contracts. This provision is made in consequence of the inequality of the earnings during the two half years ending the 30th June and 31st December respectively.

16. Whenever under the provisions of the contract the Government has to pay back capital to the Company, it may be done by transferring to them an equivalent amount of 5 per cent. Government of India Stock. In the existing contracts this payment may be made by an annuity, equivalent to the gross amount payable, the rate of interest which shall be used in calculating such annuity being determined by the average rate of interest during the preceding two years received in London upon public obligations of the Secretary of State in Council.

17. Of the various other railway projects which have been under consideration during the past year, three appear to call for notice. The main object of all is to extend railway communication to the Upper Provinces of India. The first is a line commencing at Baroda on the present Bombay, Baroda, and Central India Railway, and going through Neemuch on to Delhi. The second is called the Indus Valley line, and is projected to unite the existing Scinde and Punjab Railways, providing by this means a continuous line of railway communication, about 2,200 miles in length, from the port of Kurrachee to Calcutta, *viâ* Hyderabad, Mooltan, Lahore, Delhi, and Allahabad. The third is a line from Lahore to the North-West Frontier at Peshawur.

New projects for Railway communication between Bombay and the Upper Provinces, and Scinde and the Punjab by the Valley of the Indus.

18. As it was evident that none of these lines could be undertaken without the aid of the guarantee, the questions to be considered were, 1st, whether their construction was at present called for, either upon political or commercial grounds; 2dly, whether it was inexpedient, on financial grounds, to commence them simultaneously, and, if not, which should have the preference; and, 3dly, if either were sanctioned, by what agency it should be undertaken.

19. In a country like India, it would be difficult to fix upon any line of communication 200 miles in length which did not, to some extent, combine commercial with political and military advantages. Some lines would, of course, fulfil both objects to a greater degree than others, and, unless there were paramount reasons for a purely military road, it must be admitted that one which would connect existing marts, or open new sources of trade, should be preferred, as more likely to be remunerative. So long as State assistance is necessary, it should be borne in mind that every million expended on one work delays another. The revenue is not so elastic as to bear an unlimited amount of guarantee, nor will the public subscribe an unlimited amount of capital. It may be roughly estimated that the cost of the three lines above described would be,—

	£
For the Lahore and Peshawur line, 250 miles, at 20,000 <i>l.</i> a mile	5,000,000
For the Indus Valley line, 500 miles, at 12,000 <i>l.</i> a mile	6,000,000
For the Rajpootana line, 570 miles, at ditto	6,840,000

20. This expenditure of nearly 18,000,000*l.* would be spread over several years, and the yearly decreasing demand upon the Government for the guarantee on the open and productive lines would enable the revenue to bear the additional liability without any sensible inconvenience, but it is a not inconsiderable amount to add to the 80,000,000*l.* which will have to be raised to complete works now in progress. It has been decided that the Lahore and Peshawur line, which is the most costly of the three, and which was recommended chiefly on political grounds, should not be sanctioned at present. No decision has yet been come to with respect to the execution of the other two, although they may be regarded as works which will ultimately be required to form a complete system of main lines for the country.

Rajpootana Line.

21. Surveys indeed of the line between Baroda and Delhi are already being carried on, with the view of ascertaining the best route and making complete estimates of the cost. If the results of these operations should be satisfactory, arrangements will probably be made for constructing the line. As it would proceed, for the most part, through Native States, preliminary arrangements must be made with their rulers, and it is to be hoped that the great advantages which railway communication would bring to their territories will induce these Native Princes to take a liberal and enlightened view with respect to the assistance to be given to the undertaking, as well as with regard to the general principles for conducting the traffic. In some places the existing oppressive transit dues could, for instance, be reduced or relaxed with advantage both to the Native State and to the trader, when a railway becomes the means of transit. The Indus Valley has already been surveyed for a railway.

Indus Valley Line.

22. I would here beg to refer to a matter, in connexion with this and the Punjab system of railways, which cannot fail to have an important bearing upon the internal communication of the north-west quarter of India. The commercial objects of these undertakings must be very imperfectly met, unless a safe and commodious harbour for ships at all seasons can be formed at Kurrachee. Although it is the terminus of the railway, it is not the ultimate destination of the goods brought by the railway. It is the port for the trade of the Punjab and neighbouring countries, and if that trade increases, which it is sure to do with better means of communication, it will soon surpass the present capabilities of the harbour.

Kurrachee Harbour.

23. So long ago as 1856, the Government employed the late Mr. Walker, the eminent harbour engineer, to investigate the subject, and, having partially adopted his recommendations, and the designs which he prepared, the works were commenced in 1859. Considerable progress has been made in them, and recent accounts show that the effect has been to increase the area of the harbour from about 70 to 100 acres. Doubts, however, have recently been raised as to whether the designs are calculated to accomplish the object desired, and a reference having been made to the Messrs. Stevenson, of Edinburgh, their opinions were unfavourable to the further prosecution of the works on the principle laid down by Mr. Walker. This recommendation has naturally produced great disappointment. More than a quarter of a million had already been expended; and to be told that the money, if not absolutely wasted, had not been usefully laid out, and that much valuable time had been lost, was very mortifying to all who were interested in the success of the railway, and the advance-

ment of the prosperity of Scinde and the Punjab. Lord De Grey, when Secretary of State, felt that he had no alternative but to desire a suspension of operations for a time, and to require that the question in all its bearings should be carefully considered, and the effect of the present works upon the currents and shoals narrowly watched. Thus the matter stood when the Right Hon. R. Seymour Fitzgerald was appointed Governor of Bombay. The whole subject was then commended to his special attention by Lord Cranborne, who, at the same time, stated that the expediency of resuming the whole or part of the suspended works should be duly considered "whenever further experience may have furnished sufficient additional data for the satisfactory settlement of the question." Mr. Fitzgerald's views are now anxiously looked for.

24. Among the projects for railway extension, a proposal has been submitted for making the Great Indian Peninsula Railway system more complete, by the construction of a chord line eastward of the Ghâts, to connect the north-east and south-east branches of that railway. The Directors were not disposed to regard the proposition with favour, being of opinion that the suggested line possessed no commercial advantages. The Government, however, taking a different view of the case, and recognizing the obvious political recommendations of the proposal, have ordered certain data to be collected, and surveys and estimates to be made, with the view of enabling them to form a final decision on the subject.

Chord line for the Great Indian Peninsula Railway.

25. The extension of the Madras Railway beyond its present western terminus at Beypore, to some place on the sea coast which should besides serve the purposes of a maritime terminus, has likewise been under consideration. The investigation of the subject has led to the conclusion that the only eligible place to which it would be desirable to extend the line is Cochin, which is about 60 miles lower down the coast than Beypore. Here there is a very fair port, and at a place called Narrakal, within a few miles of Cochin, there is a safe roadstead for ships at all seasons of the year. The province of Cochin is rich in natural productions, and it is computed that the traffic of the line itself would soon be remunerative. If this may be calculated upon, and if the extension of the present railway to a convenient seaport would increase the value of the whole undertaking, it will probably be found expedient to construct this additional 60 miles, provided that satisfactory arrangements can be made with the Rajah of Cochin for obtaining the necessary land, for securing the Company in undisturbed possession of the line, and for carrying on the traffic after its completion. That no difficulty is likely to occur in the settlement of such questions with the Rajah we may be pretty confident, from the enlightened policy pursued by His Highness in conducting the government of the country, and, more especially as regards the work under immediate consideration, from the important step which he has already taken, in putting up a handsome iron girder bridge suitable for a railway over the river Ponany, where the proposed line would cross it.

Proposed extension of the Madras Railway to Cochin.

26. One important question in connexion with railway extension, and one which intimately concerns the completeness of the East Indian Railway, still remains to be settled. I allude to the project for carrying the East Indian Railway across the Hooghly into Calcutta, and forming a junction in that city between it, the Eastern Bengal, and the Mutlah Railways. Such a work is, in the opinion of those best able to judge, imperatively required in the interests both of the Railway Company and of the public.

Railway Bridge over the Hooghly at Calcutta.

27. The railways are at length beginning to produce an effect upon the Postal service, not only in India but between this country and many parts of India. Hitherto there has been a difference of about ten days in the length of time occupied in the transmission of letters between England and Calcutta and between England and Bombay. The English mails separated at Aden, from whence one portion was taken to Calcutta *via* Ceylon and Madras, and the other portion direct to Bombay. When the railways between Bombay and Calcutta are completed, the mails will be conveyed from one place to the other in about 44 hours. At the present time, by using the portions of line open and taking the mails the rest of the way by carts, about five days are occupied.

Postal Service.

28. The Select Committee of the House of Commons on East India Communications which sat last session, and which was presided over by Mr. R. W. Crawford, M.P., the Chairman of the East Indian Railway Company, stated

as their opinion that,* "Whilst it had not been expedient hitherto to add to "the expense of the postal communication with India, by establishing a "more frequent service to Bombay in addition to the existing services to "Madras and Calcutta, yet, having regard to the facilities already afforded "by the railways under construction in India, and to the prospect of the "early completion of the main lines of communication connecting the port of "Bombay with the Presidencies of Calcutta and Madras, the North-Western Pro- "vinces and the Punjab, the time has arrived when tenders should be invited for "a weekly service to Bombay alone; and the separate postal service between this "country and Madras and Calcutta should be discontinued." By means of the railway from Bombay to Calcutta, letters will be conveyed next year from London to the latter place, *viâ* Marseilles, in 26 days. And when the Italian route described by Colonel Tyler, R.E., in his report to the Postmaster General, and after his inspection of the railways and ports of Italy, is adopted, only 22 days will be occupied in taking the mails from London, *viâ* Paris, Mont Cenis, Brindisi, and Alexandria to Bombay. "It will be possible," he says, "next year (1867) to "convey the Eastern mails between London and Alexandria punctually and "without difficulty in 150½ hours, and at some time after 1871, when the per- "manent line between St. Michel and Susa is at work, in 147½ hours. The "longest portion of the journey that can be made at present, or next year, without "change of vehicle, is from Susa to Brindisi, 716 miles, in 27 hours; but it may "be expected when the tunnel line is completed, after 1871, that mails and pas- "sengers will travel, without change of vehicles, between Calais and Brindisi, "1,391 miles in 54 hours."

Audit System.

29. A new and improved system of audit, founded upon that originally proposed and adopted by the East Indian Railway Directors, has been generally introduced during the past year. By this system, arrangements are made for the supply, at convenient periods, of funds for the purposes of construction and revenue respectively, for the examination of accounts and check upon disbursements, for the accurate distribution of charges between capital and revenue, for the verification of store returns, and for the examination of the half-yearly revenue accounts. A system of pre-authorization is followed where practicable, so as to secure the approval of Government to the purpose of an expenditure before it is incurred, and a final examination takes place when the expenditure is passed to capital and revenue. In the system thus briefly described, the object has been to make the control over expenditure as effective as possible, without undue interference in details, and without removing responsibility from the proper quarter. The duty of inaugurating it has been committed to Mr. G. W. Kellner, who has received the commendation of the Government of India, as well as of the Secretary of State in Council, for the manner in which he has performed the service.

Duties performed by the Boards in this country.

30. While the chief executive and administrative work connected with these undertakings is performed in India, the supreme direction of affairs is vested in the Boards in London, whose responsibilities and duties are important and multifarious. The Boards consist of a Chairman (with a Deputy Chairman and Managing Director in some cases), and Directors varying in number from six to ten, the Government Director being *ex officio* Member of each Board. Committees consisting of two, three, or four members are generally formed, having special duties assigned to them connected with the Transfer, Finance, Audit, and Shipping Departments. In the case of each Company, the Boards are so constituted as to contain the elements of Indian or local knowledge as well as of experience in the different branches of business which necessarily come under the consideration of Railway Directors. It is to be hoped that the Boards will always preserve this varied character, for thus composed they cannot fail to possess the confidence of the Government and of the public.

31. I cannot better describe the actual work performed by the Boards than by quoting the account given by the Chairman of the East Indian Railway Company, Mr. R. W. Crawford, M.P., in a paper recently printed for Parliament, of the duties of his own Board. The description applies equally to the other Companies.

"The Board hears read at its weekly meetings, and disposes of, in the way of reply and otherwise, a constant and voluminous correspondence with the Secretary

* Page 15 of Report.

of State, the Board of Agency and Chief Auditor at Calcutta, the shareholders, and the public generally. It considers and decides all questions affecting the policy of the Company, and determines all matters relating to the raising of capital. It considers, also, with the Consulting Engineer, either personally or in correspondence, important questions daily arising connected with the supply of materials and stores for India, the selection of officers required to fill vacancies in the establishments abroad, and innumerable special references on matters within his department. It receives and considers the reports from its Committees, examines the bills for goods supplied, approves the weekly schedule of applications to the Secretary of State for money to discharge the same, and generally transacts the current and special business of a Board of Directors of a public Company. The Board is advised by its Consulting Engineer as to all matters of an engineering character, and upon all questions relating to the purchase of, or contracting for, machinery, permanent way, stores, and goods of every kind. Purchases are decided, as an invariable rule, upon sealed tenders opened in the presence of the Board. In the case of goods for which tenders have been invited by public advertisement (which, as a rule, is the principle acted upon), whilst the Board reserves to itself the right to accept the tender best in its judgment for the interests of the Company, the lowest tender is accepted unless the Board is advised to the contrary, upon good and sufficient grounds, by the Consulting Engineer. In special cases, when, upon the advice of the Consulting Engineer, it is considered desirable to invite tenders from selected houses, the lowest tender conforming to specification is invariably accepted. All goods are contracted for under specification, and are carefully inspected during the process of manufacture, and the same care is observed in the packing of the goods for shipment. As a rule, payment is made on the certificate of the Consulting Engineer, and proof of due delivery at the Company's wharf or on shipboard.

"All demands on the Company, of every kind (excepting for petty cash disbursements) are submitted, with vouchers, for the sanction of the Board, and finally settled by cheques drawn against money sanctioned and issued for the special purpose by the Secretary of State, out of the funds of the Company standing upon his account at the Bank of England."

32. There has been considerable activity in the shipment of goods for the use of the railways during the past year. In the previous year (1865), 199,157 tons were despatched in 442 ships. Last year, 568 ships were employed to take out about 320,000 tons. Freights have been very high, averaging about 40s. per ton. A large number of locomotive engines, a quantity of iron-work for rolling stock, iron and steel rails, and cast-iron sleepers have been sent out. Shipments of materials from this country.

33. The following table furnishes the usual particulars:—

Railway Company.	Number of Ships employed in 1866.	Amount of Goods shipped in 1866.	Value of Goods shipped in 1866.	Amount paid for Freight and Insurance in 1866.
		Tons.	£	£
East Indian - - - - -	86	69,827	555,301	109,617
Great Indian Peninsula - - - - -	116	97,394	555,173	196,794
Madras - - - - -	53	22,751	174,195	43,084
Bombay, Baroda, and Central India - - - - -	81	55,763	259,667	106,742
Scinde - - - - -	125	610	14,114	2,035
Punjaub - - - - -		1,103	27,750	3,407
Indus Flotilla - - - - -		5,046	102,465	15,748
Delhi - - - - -		49,505	580,783	128,934
Eastern Bengal - - - - -		7,016	93,500	16,199
Great Southern of India - - - - -	13	14,618	130,600	34,171
Calcutta and South-Eastern - - - - -	22	3,212	51,097	7,907
Indian Branch - - - - -	47	—	113,712	9,759
Total - - - - -	581	*326,845	2,658,357	674,397

* Exclusive of the Indian Branch Railway.

Shipments since
commencements of
railway works in
India.

34. The shipments which have been made from this country to India for the purposes of the railways since their commencement will be seen in the subjoined account:—

Year.	No. of Ships.	Ships lost.	Amount of Goods shipped.	Value of Goods shipped.
Up to end of 1860	2,605	39	Tons. 2,094,686	£ 10,431,976
In 1861	407	—	182,621	1,669,443
„ 1862	280	1	138,013	1,487,582
„ 1863	279	2	166,840	1,285,464
„ 1864	233	—	102,318	1,018,164
„ 1865	442	2	199,157	1,729,543
„ 1866	581	7	312,227	2,527,757
Total	4,827	51	3,195,862	20,199,929

35. It will be seen that seven ships laden with railway goods were lost during the past year. One had stores of the Great Indian Peninsula Railway, which were valued at 3,574*l*. One with Madras Railway materials, valued at 4,744*l*. Four with Bombay and Baroda Railway goods, valued at 26,205*l*. One with goods for the Branch Railway. The losses were all recovered from the underwriters. In the case of the Indian Branch Railway Company the cargo was saved.

Locomotives and
rolling stock.

36. The following table will show the amount of locomotive power and rolling stock now possessed by each Company, and the extent to which it has been increased during the year. The results of the orders for locomotives which were given last year will be sent in the return of next year:—

Railway.	Locomotives.			Passenger Carriages.		Trucks and Waggons.		Total Number of Vehicles on 31st December 1866.
	Former Number.	Added in 1866.	Total Number, 31st Dec. 1866.	Former Number.	Added in 1866.	Former Number.	Added in 1866.	
East Indian	328	4	332	523	81	4,667	—	5,271
Great Indian Peninsula	143	24	167	302	108	3,426	387	4,223
Madras	80	26	106	190	16	2,223	258	2,687
Bombay, Baroda, and Central India	72	—	72	237	—	3,922	50	4,209
Scinde	25	—	25	66	—	647	18	731
Punjaub	34	4	38	103	13	595	74	785
Eastern Bengal	28	—	28	92	—	359	110	561
Great Southern of India	9	2	11	35	—	174	21	230
Calcutta and South-Eastern	6	6	12	36	20	160	318	534
Indian Branch	—	4	4	—	12	—	37	49
Total	725	70	795	1,584	250	16,173	1,273	19,280

Proprietors of
Railway Securities.

37. The usual statement with regard to shareholders and debenture holders here follows. They have increased from 39,466 on the 1st January 1867 to 43,398 on the 31st December last. The Natives of India continue to form a very small proportion of the number. Last year the proportion was above one per cent., now it

is below. It is, therefore, almost exclusively from England that the capital for the railways has been supplied; but it is worthy of observation that a considerable number of persons who derive their income from or have accumulated fortunes from their connexion with, India, either as members of the Service, merchants, or otherwise, have invested in these securities:—

Railway.	Number of Shareholders on 31st December 1866.						Number of Debenture Holders.	Total Number of Proprietors on the 31st Decem- ber 1866.
	Registered in England.			In India.				
	With Stock or Shares to the Amount of 1,000 <i>l.</i> and upwards.	With Stock or Shares of less Amount than 1,000 <i>l.</i>	Total in England.	Europeans.	Natives.	Total in India.		
East Indian - - -	4,996	6,194	11,190	158	124	282	3,956	15,428
Great Indian Peninsula -	3,557	4,832	8,389	73	119	192	1,343	9,924
Madras - - -	1,973	2,862	4,835	—	—	—	879	5,714
Bombay, Baroda, and Central India.	1,530	2,510	4,040	18	69	87	1,005	5,132
Scinde - - -	536	730	1,266	16	3	19	156	1,441
Punjaub - - -	516	804	1,320	17	2	19	63	1,402
Delhi - - -	541	665	1,206	40	6	46	—	1,252
Indus Flotilla - -	87	196	283	—	—	—	120	403
Eastern Bengal - -	385	672	1,057	21	17	38	428	1,523
Great Southern of India	238	337	575	4	7	11	57	632
Calcutta and South- Eastern.	111	242	353	28	51	79	115	547
Indian Branch - -	207	128	335	21	22	43	48	426
Total - - -	14,677	20,172	34,849	396	420	816	8,170	43,824

LEGISLATION.

38. The Bill which had been prepared for providing regulations for the proper management of railways has received attentive consideration both from the Home Government and the Boards of the respective Railways, and it has been returned to the Government of India with various suggestions and recommendations. Its main objects are to secure for the public all the advantages and conveniences which these great highways can reasonably be expected to provide, and to confer such powers upon the Companies as shall enable them to conduct properly the business of public carriers, and to manage the railways to the advantage of all concerned. Legislative Act for the regulation of railways.

UNGUARANTEED RAILWAYS.

39. The only Company which is now engaged on railways in India without a “guarantee” is the Indian Tramway Company, and this Company finding itself unable to extend its present limited undertaking with the assistance at present granted to it, is endeavouring to obtain the concession of the usual guarantee of interest. The only scheme which the Directors have as yet submitted for the consideration of Government is that for extending their existing line (which goes from Arconum on the Madras Railway to Conjeveram) on to Pondicherry, the one remaining possession of the French in India, but they are ready to make any lines as branches to the main lines which circumstances may seem to require. Unguaranteed railways.

PERSONS EMPLOYED ON THE LINES.

40. The following table gives the number of Europeans employed on certain lines on the 30th October last. The returns from Bombay have not been received. As an example of the proportion in which Europeans and Natives are employed in certain situations, it may be mentioned that out of 114 station masters on the East Indian Railway, 35 are Europeans, receiving from 150 to 350 rupees a month; five are East Indians, receiving from 150 to 300 rupees, and 74 are Natives, receiving from Rs. 20 to Rs. 200.

PERSONS EMPLOYED ON THE LINES.

Railway.	Agent's Department.			Account Department.			Audit Department.			Locomotive and Carriage Department.			Traffic Department.		
	Europeans and East Indians.	Natives.	Total.	Europeans and East Indians.	Natives.	Total.	Europeans and East Indians.	Natives.	Total.	Europeans and East Indians.	Natives.	Total.	Europeans and East Indians.	Natives.	Total.
East Indian - - -	26	367	393	12	342	354	29	277	306	867	7,164	8,031	515	4,339	4,854
Great Indian Peninsula - -	15	30	45	2	71	73	6	79	85	350	2,331	2,861	130	1,298	1,428
Madras - - -															
Bombay and Baroda - -															
Scinde { Scinde - - -	22	38	60	—	—	—	—	—	—	69	51	120	{ 54	516	570
Punjab - - -															
Delhi - - -															
Indus Flotilla - - -															
Eastern Bengal - - -	12	295	307	3	54	57	1	25	26	52	348	400	44	459	503
Calcutta and South-Eastern -	3	6	9	—	—	—	—	—	—	12	6	18	8	91	99
Great Southern of India -	20	57	77	—	—	—	—	—	—	56	714	770	4	153	157

PERSONS EMPLOYED ON THE LINES—continued.

Railway.	Engineers' Department.			Stores Department.			Telegraph Department.			Grand Total.			Number of Miles open for Traffic.	Number of Stations open.
	Europeans and East Indians.	Natives.	Total.	Europeans and East Indians.	Natives.	Total.	Europeans and East Indians.	Natives.	Total.	Europeans and East Indians.	Natives.	Total.		
East Indian - - -	121	4,931	5,052	55	879	934	71	905	976	1,696	19,204	20,900	1,129	120
Great Indian Peninsula - -														
Madras - - -	70	3,918	3,988	14	75	89	35	91	126	622	7,893	8,515	645	64
Bombay and Baroda - -														
Scinde { Scinde - - -	14	52	66	7	22	29	31	38	69	229	781	1,010	{ 253	19
Punjab - - -														
Delhi - - -														
India Flotilla - - -	27	63	90	3	—	3	—	—	—				{ Nil.	Nil.
Eastern Bengal - - -	37	1,334	1,371	2	51	53	7	59	66	158	2,625	2,783	110	21
Calcutta and South-Eastern -	6	187	193	—	10	10	1	9	10	31	335	366	28	9
Great Southern of India -	—	—	—	—	75	—	—	—	—	—	—	—	—	—

41. The average number of servants, European and East Indian, on the Railways during the half year ending the 30th June, was 8,001. The casualties amongst them from death and other causes will be seen in the following statement which has been received from India.

GENERAL ABSTRACT OF CASUALTIES whether by Death, Resignation, or Discharge amongst the European and East Indian Employés of RAILWAY COMPANIES in INDIA, during the Half Year ending 30th June 1866.

Railways.	General.		Traffic Department.		Locomotive and Carriage Department.		Engineer Department.		Electric Telegraph Department.		Store Department.		Total Casualties of all kinds.		Total Casualties by Deaths.		Average Number of Servants during the Half Year.		Length in Miles.		Remarks.
	Europeans.	East Indians.	Europeans.	East Indians.	Europeans.	East Indians.	Europeans.	East Indians.	Europeans.	East Indians.	Europeans.	East Indians.	Europeans.	East Indians.	Europeans.	East Indians.	Europeans.	East Indians.	Open.	Under construction.	
Madras - - -	—	—	6	14	49	26	9	4	—	3	—	—	64	47	5	—	253	416	611	114	
Great Southern of India - -	—	2	—	1*	—	—	5	4	—	—	—	—	6	6	—	—	31	149	79	87½	* Time expired man.
Great Indian Peninsula - -	—	1	61	3	111	—	9	—	—	1	1	3	132	8	9	1	746	60	701½	571½	
Bombay, Baroda, and Central India - - -	1	1	17	23	33	22	3	—	—	1	4	11	58	58	2	1	239	174	306	Nil.	
Sindh - - -	—	1	1	—	7	1	1	—	—	—	—	—	9	2	1	1	2,400†	—	109	5	† This must include the Punjab and Delhi Railways as well.
Indus Steam Flotilla - - -	3	—	—	—	—	—	6	—	—	—	—	—	9	—	—	—	84	1,060	—	—	
East Indian - - -	5	2	682	28	196	77	21	4	—	12	6	3	296	126	25½	4	1,943	1,129	387½	—	‡ 1 killed by accident.
Eastern Bengal - - -	—	—	9	10	21	—	5	3	—	—	1	—	36	13	2	1	127	31	110	45	
Calcutta and South-Eastern -	—	—	1	3	7	—	1	—	—	—	—	—	9	3	—	—	15	15	28	Nil.	
Punjab and Delhi - - -	2	—	12	1	16	—	3	—	—	—	—	—	33	1	1	—	229	—	233	303½	
Grand Total - - -	11	7	175	82	441	126	63	15	—	17	12	17	702	264	45	8	8,001	26	1,461	—	

ACCIDENTS.

42. The official returns of accidents have not been received from India. I am consequently, only able to furnish the following statement which is compiled from information supplied to me by the Railway Companies in this country.

Railway Company.	Passengers Killed or Injured from Causes beyond their Control.		Passengers Killed or Injured from Misconduct or Incaution.		Railway Servants Killed or Injured from Causes beyond their Control.		Railway Servants Killed or Injured from their own Misconduct or Incaution.		Persons Killed or Injured at Level Crossings.		Trespassers.		Miscellaneous.		Remarks.
	Killed.	Injured.	Killed.	Injured.	Killed.	Injured.	Killed.	Injured.	Killed.	Injured.	Killed.	Injured.	Killed.	Injured.	
East Indian - - -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Returns not received.
Great Indian Peninsula - -	-	-	1	-	9	2	14	-	-	-	6	-	1	-	
Madras - - -	-	-	-	-	1	-	-	-	-	-	5	-	2	-	The passenger killed was a Native woman, who went under a waggon to avoid the sun, when an engine moved the waggon, and she was crushed. Four of the cases of trespassers were supposed to be suicides. The first of these was a boy, who was found dead in a third-class carriage. The other was run over in the act of jumping from a third-class carriage, to avoid payment of his fare.
Bombay and Baroda - - -	1	-	1	-	1	-	7	-	-	3	-	3	-	-	
Scinde - - -	-	-	-	-	3	-	3	-	-	-	-	-	2	-	
Punjab - - -	-	-	-	-	2	1	3	-	1	-	-	-	-	-	
Eastern Bengal - - -	-	-	-	-	-	-	6	-	-	-	-	-	1	-	
Calcutta and South-Eastern -	-	-	1	-	1	-	-	-	-	-	-	-	-	-	
Great Southern - - -	-	-	-	-	1	-	2	-	-	-	-	-	-	-	
Total* - - -	1	-	2	1	17	4	35	-	1	-	14	-	9	-	

* Exclusive of the East Indian Railway.

43. It would appear, from these returns, that the traffic has been carefully and safely conducted. The only passenger whose death is reported to have arisen from causes beyond his control was a boy who was "found dead" in a third-class carriage. No particulars of the occurrence have been sent home; but illness was the cause, so that no blame was attached to the Railway Company. The list of fatal cases is unfortunately swelled by the apparent recklessness and carelessness of Native servants, and by trespassers, several of which latter purposely placed themselves in danger.

CAPITAL.

Note.—This being the first time when the official year has terminated on the 31st March instead of the 30th April, the last month of the previous year 1865-66, has been added to the eleven months ending on the 31st March 1867, in order to exhibit the Capital, Expenditure, and Receipts for a whole year in the tables which follow.

44. The total amount of capital raised by all the guaranteed Companies up to the 1st April last, was 67,254,802*l.*, of which 51,800,377*l.* consisted of share capital, 6,707,705*l.* of debentures convertible into shares, and 8,746,720*l.* of debentures not so convertible.

Capital.
Aggregate Amount
of Capital raised
to 1st April 1867.

45. The expenditure up to the same date amounted to 67,932,550*l.*, showing an excess over the sum raised of 677,748*l.* It will be seen by referring to the second table of the three that follow, that certain Companies, up to the 31st March last, had received advances to the amount of 1,754,930*l.*, and that a balance of 1,077,182*l.* stands to the credit of others, leaving a net balance of 677,748*l.* to the debit collectively of the Bombay and Baroda, the Scinde, Punjab, Delhi, and Indus Flotilla, the Great Southern, and the Calcutta and South-Eastern Railway Companies. Since that date the amount of these advances has been reduced, and it is hoped that in a short time each Company will have a reasonable balance to its credit.

Total expenditure
up to 1st April
1867.

46. The expenditure during the year 1866-67, was 7,759,555*l.*, of which 3,942,598*l.* was incurred in England and 3,816,957*l.* in India. This is nearly 1,000,000*l.* in excess of what was estimated at the beginning of last year. The total sum which it was then calculated would be expended upon the railways before the whole of them are completed with a moderate extent of double line was 81,000,000*l.* This was exclusive of the Indian Branch Railway (Company which has since been added to the list of guaranteed Companies) and of the doubling of portions of the Great Indian Peninsula Railway which have since been ordered. The estimated amount for sanctioned lines will thus be increased to about 88,000,000*l.*

Expenditure
during official
year, from 1st
April 1866 to
31st March 1867.

47. The estimated expenditure for the current year to the 31st March 1868, exclusive of that by the Indian Branch Company, is 6,442,750*l.*, of which it is expected 3,985,500*l.* will be required for India and 2,457,250*l.* for this country.

Estimated expenditure
for 1867-68.

STATEMENT No. 1.

Showing the Amount raised and expended by each Company during the year ended 31st March 1867.

Railway.	Sums standing to the Credit of the Companies on the 31st March 1866.	Sums advanced to the Companies on the 31st March 1866.	Amount raised between 1st April 1866 and 31st March 1867.		In England, between 1st April 1866 and 31st March 1867.	Amount expended			Total Raised during the Year ended 31st March 1867.	Total Expended during the Year ended 31st March 1867, (partly estimated).
			By Shares or by converting Debentures into Stock.	By Debentures.		Date to which Accounts have been received.	In India. Amount.	Estimated Expenditure between dates specified and 31st March 1867.		
East Indian	370,200	—	1,201,076	888,980	1,131,295	31st Jan. 1867	970,759	200,000	2,090,056	2,302,054
Great Indian Peninsula	599,281	—	690,814	1,232,950	886,930	30th Nov. 1866	618,066	300,000	1,923,764	1,804,996
Madras	66,404	—	178,727	376,900	213,262	31st Jan. 1867	191,368	40,000	555,627	444,630
Scinde	21,102	—	—	—	60,149	30th Nov. 1866	28,281	28,000	—	116,430
Indus Flotilla	—	63,250	—	—	146,131	31st Oct. 1866	4,720	4,000	—	154,851
Punjab	—	299,894	2,225	—	31,793	31st Jan. 1867	136,299	20,000	2,225	188,092
Delhi	279,506	—	893,015	—	757,437	"	466,426	100,000	893,015	1,323,853
Bombay, Baroda, and Central India	—	448,618	360,509	478,700	382,830	30th Nov. 1866	327,709	120,000	839,209	830,539
Eastern Bengal	60,932	—	215,472	10,500	142,344	31st Jan. 1867	101,030	20,000	225,972	263,374
Calcutta and South-Eastern	—	35,426	1,595	—	87,682	"	23,429	6,000	1,595	117,111
Great Southern	—	126,990	126,000	1,100	102,755	"	90,870	20,000	127,100	213,625
Total	1,397,425	974,178	3,669,433	2,989,130	3,942,598	—	2,958,957	858,000	6,658,563	7,759,555
			Net Balance - £423,247							

Accountant General's Department,
17th April 1867.W. G. GOODLIFFE,
Accountant General.

STATEMENT No. 2.

Estimated Expenditure for the Year 1867-68 on Capital and Revenue Account.

Railway.	Estimated Expenditure from 1st April 1867 to 31st March 1868.			Sum standing to the Credit or Debit of the Companies on the 1st April 1867 (partly estimated).	Sums to be raised by the Companies during 1867-68.	Total Amount now placed and to be placed in the Home Treasury of Government for 1867-68.	Estimated Balance on the 1st April 1868.
	In England.	In India.	Total.				
	£	£	£	£	£	£	£
East Indian - - -	500,000	1,000,000	1,500,000	158,201	1,491,799	1,650,000	150,000
Great Indian Peninsula - - -	500,000	1,000,000	1,500,000	718,049	981,951	1,700,000	200,000
Madras - - -	500,000	483,000	983,000	177,402	905,598	1,083,000	100,000
Bombay, Baroda, and Central India - -	250,000	360,000	610,000	Dr. 439,948	1,099,948	1,099,948	50,000
Sinde - - -	60,750	80,000	140,750	Dr. 95,327	246,077	246,077	10,000
Punjab - - -	63,000	50,000	113,000	Dr. 485,762	608,762	608,762	10,000
Delhi - - -	410,000	500,000	910,000	Dr. 151,333	1,161,333	1,161,333	100,000
Indus Flotilla - - -	30,000	30,000	60,000	Dr. 218,101	288,101	288,101	10,000
Eastern Bengal - - -	110,000	176,000	286,000	23,530	312,470	336,000	50,000
Great Southern of India - - -	30,000	300,000	330,000	Dr. 213,515	553,515	553,515	10,000
Calcutta and South-Eastern - - -	3,500	6,500	10,000	Dr. 150,944	—	—	Dr. 160,944
Total - - -	*2,457,250	*3,985,500	*6,442,750	Dr. 1,754,930 Cr. 1,077,182	7,649,554	8,726,736	529,056
				Net Dr. 677,748			

* Exclusive of the Indian Branch Railway Company.

STATEMENT No. 3.

Showing the Amount of Capital estimated to be required for each Undertaking as now sanctioned, the Amount authorized to be raised, the Amount raised, and the Amount expended, to 31st March 1867.

Railway.	Amount estimated to be required for the Undertaking as now sanctioned with a certain length of double Line.	Amount authorized by Government to be raised up to 31st March 1867.				Amount raised in England to 31st March 1867.			Amount raised in India to Date of last Advices.	Total raised to 31st March 1867.	Total Amount advanced for Expenditure to 31st March 1867 (partly estimated).
		Share Capital.	Debtentures.		Total.	By Shares.	By Debtentures.				
			Convertible into Shares.	Inconvertible.			Convertible.	Inconvertible.			
East Indian - { Main line - - { Jubbulpore line -	£ 27,000,000 3,600,000	£ 18,445,000 2,078,340	£ 2,555,000 1,121,660	£ 3,000,000 —	£ 24,000,000 3,200,000	£ 17,444,150 2,030,505	£ 2,523,900 1,121,660	£ 2,995,920 —	£ 285,743 7,665	£ 23,249,713 3,159,830	£ 24,224,895 2,026,447
Great Indian Peninsula -	18,000,000	13,000,000	—	4,000,000	17,000,000	11,865,367	—	4,000,000	385,243	16,250,610	15,532,561
Madras - { Main line - - { Bellary line -	6,250,000 4,500,000	4,050,950 3,000,000	1,638,050 —	311,000 —	6,000,000 3,000,000	3,568,830 2,996,246	1,484,950 —	311,000 —	— —	5,364,780 2,996,246	5,947,776 2,235,848
Scinde - - -	2,250,000	1,919,200	180,800	150,000	2,250,000	1,647,155	180,800	150,000	21,695	1,999,650	2,094,977
Indus Flotilla - -	700,000	542,600	81,400	—	624,000	306,005	25,400	—	—	331,405	549,506
Punjab - - -	2,800,000	1,900,000	100,000	500,000	2,500,000	1,529,254	—	500,000	9,459	2,038,713	2,524,475
Delhi - - -	6,000,000	5,000,000	—	—	5,000,000	1,934,774	—	—	6,740	1,941,514	2,092,847
Bombay, Baroda, and Central India	7,500,000	5,973,650	1,176,350	100,000	7,250,000	5,194,319	1,167,345	79,300	21,664	6,462,628	6,902,576
Eastern Bengal - -	2,800,000	1,500,000	—	662,000	2,162,000	1,368,415	—	610,500	10,754	1,989,669	1,966,139
Calcutta and South-Eastern	600,000	329,300	270,700	—	600,000	308,877	112,850	—	20,517	442,244	593,188
Great Southern - -	1,700,000	874,500	125,500	150,000	1,150,000	835,779	90,800	100,000	1,221	1,027,800	1,241,315
Total - - -	*83,700,000	58,613,540	7,249,460	8,873,000	74,736,000	51,029,676	6,707,705	8,746,720	770,701	67,254,802	67,932,550

* To which will have to be added the Indian Branch Railway, with an estimated capital of (say) 4,500,000l.

Accountant General's Department,
17th April 1867.

W. G. GOODLIFF,
Accountant General.

48. At the commencement of the year the debenture loans (the principal as well as the interest of which is guaranteed by the Government), amounted to 13,457,539*l.*, of which 6,096,539*l.* were convertible in shares, and 7,361,000*l.* not so convertible. Some have expired during the year and have been paid off, others have been renewed and fresh debentures have been issued, making the present amounts 7,249,460*l.* convertible, and 8,873,000*l.* inconvertible. I may here observe, that it has been determined to restrict as far as possible the raising capital by means of debentures, especially by those debentures which are not convertible into stock. The creation of debenture stock has, however, been sanctioned in the case of the Great Indian Peninsula Railway, and this plan may be extended to other Companies in similar circumstances.

49. The following statement presents a view of the existing state of the debenture debt of each Company.

Present State of Debenture Loans.

Railway.	Amount.	Total Amounts.	Conditions.	Date at which Loan expires.
	£	£		
East Indian - - -	50,000		Convertible - -	10th July 1867.
" - - -	40,200		Ditto - -	5th April 1869.
" - - -	10,800		Ditto - -	10th July 1869.
" - - -	461,440		Ditto - -	5th Oct. 1869.
" - - -	190,000		Ditto - -	20th Jan. 1870.
" - - -	1,121,160		Convertible and renewable	23d March 1870.
" - - -	1,500,000		Inconvertible - -	10th Aug. 1870.
" - - -	1,500,000		Ditto - -	15th Dec. 1870.
" - - -	769,000		Convertible - -	1st April 1871.
" - - -	1,000,000	6,642,600	Ditto and renewable	9th Aug. 1871.
Madras - - -	1,795,550	1,795,550	Part convertible and inconvertible.	1869, 1870, 1871, and 1872.
Great Indian Peninsula - -	4,000,000	4,000,000	Part renewable and all inconvertible.	1867, 1869, 1870, 1871, 1872, and 1873.
Sind - - -	330,800	330,800	Part convertible and inconvertible.	Sept. 1868, and May and Sept. 1870.
Indus Flotilla - - -	25,400	25,400	Convertible - -	1st May 1871.
Punjab - - -	500,000	500,000	Inconvertible - -	July 1868 and July 1870.
Bombay, Baroda, and Central India	278,595		Convertible and renewable	1867 or 1872.
" " " -	79,300		Inconvertible - -	1871.
" " " -	396,600		Convertible and renewable	1870 or 1875.
" " " -	495,100	1,249,595	Ditto - -	1871 or 1876.
Eastern Bengal - - -	610,500	610,500	Inconvertible and part renewable.	1869 and 1871.
Calcutta and South-Eastern -	100,000		Convertible and renewable	1st Jan. 1870.
" " -	12,850	112,850	Convertible - -	1st. Jan. 1871.
Great Southern of India - -	104,800		Ditto - -	1870, 1871, 1872, and 1874.
" " " -	100,000	204,800	Inconvertible - -	Jan. and July 1871.

50. The following table shows the sums that have been annually expended since the commencement of operations, and the mileage completed in each year.

As the expenditure applies to the works in progress, as well as to those which are finished, the mileage does not bear any relative proportion to the expenditure; this is particularly exemplified in the years 1859 and 1862:—

Year.	Miles opened during the Year.	Expended in England.	Expended in India.	Total.
		£	£	£
Up to 1850 -	—	130,375	44,781	175,156
In 1851 -	—	154,212	197,111	351,323
" 1852 -	—	174,920	252,640	427,560
" 1853 -	22 $\frac{1}{2}$	252,484	418,165	670,649
" 1854 -	50 $\frac{1}{2}$	960,878	768,710	1,729,588
" 1855 -	98 $\frac{1}{2}$	1,939,101	1,431,904	3,371,005
" 1856 -	101 $\frac{1}{2}$	1,752,813	1,765,094	3,517,907
" 1857 -	143	1,324,873	2,092,395	3,417,268
" 1858 -	145	1,940,052	3,551,073	5,491,125
" 1859 -	74 $\frac{1}{2}$	2,507,949	4,654,923	7,162,872
" 1860 -	208	2,396,924	5,192,846	7,589,770
" 1861 -	759	1,596,010	4,962,604	6,558,614
" 1862 -	747	1,854,289	3,956,563	5,810,852
" 1863 -	233 $\frac{1}{2}$	1,411,661	3,360,114	4,771,775
" 1864 -	402 $\frac{1}{2}$	1,387,699	2,418,345	3,806,044
" 1865 -	388 $\frac{1}{2}$	2,192,090	3,192,323	5,384,413
" 1866 -	205	3,942,598	3,816,957	7,759,555

51. The following statement shows the manner in which the expenditure has been incurred:—

Railway.	Works and Bridges.	Permanent Way and Stations.	Freight and Insurance.	Rolling Stock and Engines.	Establishments.	Miscellaneous, Electric Telegraph, Stores, &c.
	£	£	£	£	£	£
East Indian - - - -	8,500,000	6,220,000	2,550,000	2,880,000	3,220,000	2,302,000
Great Indian Peninsula - - -	6,219,000	4,135,000	1,623,000 Including certain stores.	1,448,000	1,057,000	143,336
Madras - - - - -	2,314,800	2,842,503	—	609,888	659,036	331,650
Bombay, Baroda, and Central India -	2,442,000	1,435,337	547,152	779,763	422,134	745,015
Scinde - - - - -	401,872	333,720	176,082	172,647	259,368	462,448
Punjab - - - - -	211,372	667,300	438,070	338,931	307,889	397,516
Delhi - - - - -	502,180	796,871	10,886	106,950	88,104	164,205
Indus Flotilla - - - -	—	Steamers and Barges. 383,888	27,575	31,048	56,580	68,917
Eastern Bengal - - - -	521,882	610,405	145,632	174,282	194,500	143,286
Calcutta and South-Eastern - -	135,200	210,800	— Included under other heads	136,200	77,300	22,000
Great Southern - - - -	293,327	—	120,246	50,145	49,048	87,852

REVENUE.

52. The past year will be memorable as the one in which the receipts of some of the railways for the first time exceeded the 5 per cent. guaranteed interest. In the half year ending the 30th June, the East Indian Railway realized Rs. 10,80,736 and the Great Indian Peninsula Rs. 7,58,782 beyond the amounts advanced for guaranteed interest. In accordance with the terms of the contract, half these amounts, viz., Rs. 9,19,759, was retained by the Government in repayment of former advances for interest, and the other half was remitted to this country and was used to augment the half yearly dividend of the shareholders by a quarter per cent. The guaranteed interest, I should observe, which was thus exceeded by the receipts, was paid on an amount of capital greater than that which produced those receipts, a large portion having been expended upon unfinished works or lines not opened for traffic, and consequently unprofitable. But while this satisfactory event will make this year notable in the history of Indian railways, the traffic generally has been subject to the adverse circumstances described in the early part

of this report, and the advance which it made in the early part of the year was not continued in the latter part. But an improvement has taken place since, especially in the goods traffic, and there is every prospect of a further improvement. The net revenue derived from the open lines in 1864-65 was 1,341,550*l.* Last year it was 2,261,180*l.* of which, as before explained, a portion was paid to shareholders in excess of the 5 per cent., leaving a sum of about 2,170,000*l.* to be paid into the Government treasury. The amounts paid for guaranteed interest during the same years were 2,796,676*l.* and 2,964,073*l.* respectively, but the earnings of the Railways reduced the net payments by the Government to about 1,500,000*l.* and 800,000*l.* for the two periods.

53. The following table gives the receipts and expenses of the railways for the year ending 30th June last.

Railway.	Receipts for Year ending 30th June 1866.				Expenses for Year ending 30th June 1866.			Net Receipts for the Year ending 30th June 1866.
	Pas-sengers, &c.	Goods and Minerals.	Tele-graph or Sundries.	Total.	Work-ing.	Main-tenance.	Total.	
	£	£	£	£	£	£	£	£
East Indian - - -	523,078	1,304,180	93,050	1,920,308	649,311	190,112	839,423	1,080,885
Great Indian Peninsula - -	264,729	1,188,945	47,052	1,430,726	609,683	137,605	747,288	683,438
Madras : S.W. and N.W. Lines -	168,890	260,159	9,738	438,787	132,000	57,415	189,415	249,372
Bombay and Baroda - - -	196,708	228,476	4,813	429,996	209,069	45,151	254,220	175,776
Scinde - - -	6,691	46,475	—	53,166	—	—	43,083	10,083
Punjab - - -	27,839	58,981	3,449	90,269	47,035	7,839	54,874	25,395
Eastern Bengal - - -	62,501	54,537	7,854	124,892	54,195	12,911	67,106	57,786
Calcutta and South-Eastern -	8,009	2,884	318	11,211	9,232	3,326	12,558	*1,347
Great Southern - - -	20,135	17,096	649	37,880	13,562	4,466	18,028	19,852
Total - - -	1,278,580	3,091,723	166,923	4,537,235	1,724,387	458,825	2,225,495	2,304,534

* Deficit.

54. The following table shows the net receipts, for the year ending 31st December last, of those Companies whose accounts have been settled up to that time, as well as the amount paid for guaranteed interest during the same period and the estimated amount of capital expended upon the lines which earned the profits as given.

PROFITS FOR THE YEAR 1866.

Railway.	Net Receipts for year ending 31st December 1865.	Net Receipts for year ending 31st December 1866.	Guaranteed Interest paid during year 1866.	Capital (including Debentures), paid up on 31st December 1866, receiving the Guaranteed Interest in previous Column.	Estimated Amount of Capital expended on open Lines.	Guaranteed Interest, at 5 per Cent., upon Amounts in previous Column.
	£	£	£	£	£	£
East Indian - - -	928,750	1,119,315	1,203,019	25,577,279	22,500,000	1,125,000
Great Indian Peninsula -	480,494	536,334	679,441	15,105,316	11,500,000	575,000
Madras - - -	219,452	237,749	388,459	8,258,189	7,500,000	375,000
Bombay, Baroda, and Central India - - -	117,576	*114,455	277,326	3,170,598	6,170,000	308,500
Eastern Bengal - - -	61,270	63,713	85,710	1,870,222	1,600,000	80,000
Great Southern of India -	17,785	24,699	44,192	988,100	650,000	32,500
	1,825,327	2,096,265	2,678,147	57,969,704	49,920,000	2,496,000

* Partly estimated.

55. The least remunerative of the railways are not included in this statement in consequence of their accounts for the second half of last year not having been received. But taking the above six lines, it will appear that their earnings last year fell short of the guaranteed interest paid to them by 581,882*l.*, and that the interest upon the estimated amount of capital expended upon the works which produced the earnings in question was hardly 400,000*l.* in excess of those earnings.

56. The statements which follow correspond with the returns relating to English railways, made annually to Parliament through the Board of Trade, and furnishes particulars relating to the passenger and goods traffic, and the working charges of the line during the half years ending 31st December 1865 and 30th June 1866.

	Number of Miles travelled by Trains.			Average Fares per Mile.				Receipts (Gross) from Passenger Traffic.						Receipts (Gross) from Goods Traffic.						Receipts per Train Mile.		Cost per Train Mile.		
	By Passenger Trains.	By Goods Trains.	Total.	Ordinary.			Express.	Receipts from Passengers.						Live Stock.	Minerals.			General Merchandise.	Total Receipts from Goods Traffic.					Total Receipts from all Sources of Traffic.
				1st Class.	2d Class.	3d Class or Parliametary.		1st Class.	2d Class.	3d Class, including Parliametary.	Holders of Season and Periodical Tickets.	Total from Passengers.	Total Receipts from Boxes of Luggage, Parcels, Carriages, Dogs, &c., conveyed in Passenger Trains.		Receipts from Mails.	Total Receipts from Passenger Traffic.	Coal and Coke.			Other Minerals.	Total.			
																						d.	s.	
East Indian - { Half year to, - 31st December 1865 - 30th June 1866 -	-	2,205,223 2,420,482	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	59,068 55,259	487,322 720,468	546,890 775,727	854,820 1,065,719	7 9 8 9	3 8 3 7	7 75 7 75
Madras - { 31st December 1865 - 30th June 1866 -	-	671,552	-	2 06	69	34	4,843	7,120	57,948	72,022	11,173	88,200	247	-	-	-	-	-	141,606 including miscel- laneous receipts.	136,969	225,113	6 8 47	2 9 30	
Great Indian Penin- sula - { 30th June 1866 - 31st December 1865 -	-	635,440	-	2 06	69	34	4,844	7,352	59,832	3,190	75,213	10,473	301	-	-	-	-	127,654	123,190	213,676	6 8 63	3 0 10		
Scinde - { 31st December 1865 - 30th June 1866 -	-	457,418 534,005	784,218 484,192	1 5 1 5	75 75	25 25	7,259 9,100	12,794 15,993	116,508 110,656	847 816	137,463 136,564	21,786 20,860	2,609 4,621	7,715 13,663	27,392 23,456	614,118 235,887	662,134 277,657	811,328 435,981	13 0 75 8 6 5	6 1 2 6 8				
Indus Flotilla - { 31st December 1865 - 30th June 1866 -	-	6,416 134	-	1 22 1 25	83 83	4 4	475 641	664 607	6,265 5,714	-	7,404 6,815	762 673	4 5	-	-	-	-	34,266 45,255	24,260 43,260	43,487 53,577	6 11 61 6 4 51	6 3 85 5 1 30		
Punjab - { 31st December 1865 - 30th June 1866 -	-	159,966 123,152	1,778 69,343	3 25 3 25	1 5 1 5	75 75	703 909	1,126 1,171	11,504 12,411	6 6	13,540 14,469	1,786 1,582	1	-	-	-	-	22,437 36,541	22,437 36,543	37,605 52,664	4 7 78 5 5 66	2 8 65 3 4 82		
Delhi - { 31st December 1865 - 30th June 1866 -	-	186,437 173,022	142,847 245,654	1 875 1 875	1 5 1 5	5 5	1,464 2,456	5,540 5,967	74,821 86,715	-	82,345 94,168	11,400 8,795	3,059 4,008	3,822 7,178	364 1,232	4,186 8,410	54,605 132,283	92,510 135,666	101,368 238,639	11 3 94 11 5 45	6 9 73 6 6 75			
Bombay, Baroda, and Central India - { 31st December 1865 - 30th June 1866 -	-	84,684 85,880	75,901 79,048	1 375 1 5	69 75	46 5	2,061 2,160	2,244 1,950	27,033 28,248	-	30,844 31,658	2,832 2,735	139 101	-	-	1,964 2,133	22,374 30,512	23,407 32,746	57,206 67,626	7 0 5 8 3 2	4 0 2 4 2 72			
Calcutta and South- Eastern - { 31st December 1865 - 30th June 1866 -	-	29,456 29,254	1,344 112	1 36 1 35	63 68	34 34	281 410	400 643	2,634 3,197	-	3,365 4,250	187 906	-	-	-	54 46	1,035 2,007	1,069 2,113	4,641 6,570	3 0 170 4 5 689	3 7 84 4 6 25			
Great Southern India - { 31st December 1865 - 30th June 1866 -	-	71,342 78,111	-	1 5 1 5	1 5 1 5	5 5	119 157	287 253	9,204 9,106	-	9,610 9,606	438 451	-	-	-	-	8,269 8,827	8,587 9,168	18,635 19,245	5 2 4 11	2 7 31 2 2 80			
Total	-	10,120,920	-	-	-	-	-	-	-	-	-	1,427,302	-	-	-	-	2,966,442	-	-	-	-	-		

57. The following statement shows the expenditure on revenue account during the half years ending 31st December 1865, and 30th June 1866, in the different Departments of the railway.

CHARGES for Maintenance and Working.

Railway.	Miles open.	Maintenance.		Locomotive.		Repairs to Rolling Stock.		Traffic.		Compensation.		Legal and Parliamentary.		Miscellaneous.	
		Half Year ending 31st Dec. 1865.	Half Year ending 30th June 1866.	Half Year ending 31st Dec. 1865.	Half Year ending 30th June 1866.	Half Year ending 31st Dec. 1865.	Half Year ending 30th June 1866.	Half Year ending 31st Dec. 1865.	Half Year ending 30th June 1866.	Half Year ending 31st Dec. 1865.	Half Year ending 30th June 1866.	1865.	1866.	Half Year ending 31st Dec. 1865.	Half Year ending 30th June 1866.
		£	£	£	£	£	£	£	£	£	£			£	£
East Indian - - -	—	98,341	91,770	158,207	161,871	23,545	32,332	61,794	74,610	6,170	7,211	—	—	50,031	73,478
Great Indian Peninsula - - -	—	—	80,122	—	143,833	—	42,500	—	79,540	—	7,608	—	—	—	25,296
Madras - { South-West	402	26,302	28,448	34,602	30,702	2,461	2,486	14,274	16,707	239	349	213	64	6,525	7,763
North-West	106	1,287	1,379	4,806	4,132	372	378	1,709	2,451	9	5	—	3	749	800
Scinde - - -	—	13,349	10,539	12,841	15,318	3,438	5,281	5,487	8,070	37	43	71	9	4,236	3,877
Punjab - - -	—	1,305	1,260	8,449	12,561	1,723	3,563	4,767	7,319	75	104	—	—	5,807	7,039
Bombay, Baroda, and Central India - - -	306	25,361	19,791	38,233	50,696	6,000	25,307	16,164	19,805	931	4,273	85	—	16,471	20,202
Eastern Bengal - - -	110	6,128	6,784	10,980	11,114	1,208	1,325	8,217	9,611	15	—	514	33	4,971	5,694
Calcutta and South-Eastern - -	28	1,127	1,290	2,017	2,198	181	222	1,511	1,670	395	24	21	67	665	1,038
Great Southern - - -	79	2,733	1,732	4,909	5,175	—	—	1,160	1,267	—	—	—	—	502	548

Interest on deposits of revenue paid into the Government Treasury.

58. A new source of revenue has been recognized during the past year, in the shape of interest on revenue deposits. It is one of the conditions of the contracts between the Government and the Railway Companies that all the earnings of the railways shall be paid into the Government Treasury, at such times and in such manner as the Government shall direct. The practice is to pay in these earnings weekly, the revenue account being made up half-yearly. The Government thus become, as it were, bankers for the Company for the time being. In the early part of last year it was decided that the Railway Companies, being by this arrangement precluded from obtaining interest for their money from the banks, should be allowed by Government interest, at the rate of 5 per cent. per annum, upon such sums as may be in the hands of Government at the expiration of each month, arising from the traffic receipts beyond the amounts necessary to be kept as a balance for current expenditure. The amount thus paid for interest is regarded as an earning of the railway, and is added to the revenue receipts at the close of each half year. These receipts are, it is well known, applied, first, towards the discharge of the guaranteed interest for the half year, and the residue, if any, is paid, one half to the Government, for the guaranteed interest advanced in former years, the other half to the Railway Company. The arrangement came into operation on the 1st July last.

TRAFFIC AND WORKING.

Traffic and working.

59. Various questions connected with the traffic and working of the railways have engaged the attention of the Government and the Railway Companies during the past year. The most prominent were those relating to the supply of fuel; the use of iron or wood for sleepers, and the employment of steel for rails; the formation of roads as feeders; and the rates and fares.

Fuel.

60. The importance of the fuel question can hardly be exaggerated. Cheap and dear fuel may, in some cases, be almost equivalent to success or failure. It will be seen by the following statement that the high rate of freights from this country at the present time makes the value of coal and coke, before it is landed in India, something like 50s. per ton. When to this is added the landing charges, and the cost of conveyance down the lines, the average cost of coal for the railways on the western and southern sides of India may be taken at about 60s. per ton. Thus, while the cost of coal per train mile on the East Indian Railway was 3½d., on the Great Indian Peninsula it was 1s. 6½d. last year.

COAL Exported from England.

Railway.	Coal and Coke sent out during 1865.	Cost in England.	Freight, &c.	Average Cost per Ton on arrival in India.	Estimated average Cost over the Line.
	Tons.	£	£	£ s. d.	£ s. d.
Great Indian Peninsula -	Coal - 37,569	20,952	58,623	2 2 4	3 0 0
	Coke - 13,575	15,324	19,454	2 11 3	3 12 0
	Patent fuel 8,404	5,427	14,370	2 7 1	3 8 0
Madras - - -	Coal - 7,140	3,861	13,919	2 9 9½	3 0 0
Bombay and Baroda -	„ - 37,219	19,462	60,585	2 3 0	2 18 0
Scinde - - -	„ - 7,952	4,235	16,704	2 12 8	3 0 0
Great Southern - -	„ - 3,663	1,996	7,541	2 12 0½	2 18 0

61. A recent report by Mr. Oldham, the Superintendent of the Geological Survey of India, on the coal resources of the country, does not encourage the hope that coal will be found in many parts of India where it could be of very great value to the railways. "Viewed as a coal producing country," Professor Oldham says, "the British territories in India cannot be considered as either largely or widely supplied with this essential source of motive power. Extensive coal fields do occur, but these are not distributed generally over the districts of the Indian Empire, but are almost entirely concentrated in one (a double) band of coal yielding deposits which, with large interruptions, extends more than half across India from near Calcutta towards Bombay." He adds further on in his report, "There still remains, however, much to be surveyed, and, until careful mapping has been carried out of all the fields, any estimate of the coal resources and productions of British India must be defective. . . . Up to the present time, it may be said that little more than surface workings have been carried on in India. . . . In parts of the Raneegunge field these open workings are of marvellous extent and size, covering hundreds of acres."

62. We may conclude from these remarks, that a supply of coal will be available for the lines passing through Bengal and Central India. The Bengal railways have, indeed, already obtained their fuel from the collieries near Raneegunge. The Central India coal has not been used by the Great Indian Peninsula Railway, as the line is not yet sufficiently near the collieries and the cost of conveying it by the road would make it too expensive. In the upper, western, and lower parts of India it may be presumed that the railways will not possess the advantage of native coal. The importance, therefore, of obtaining other sources of supply increases every year. Coal from Australia and from Labuan is being tried. But wood is what we must look to chiefly, if economy is to be secured. The subject has engaged the serious attention of Government, both at home and in India. Several despatches, pointing out the importance of the subject and suggesting the necessity of adopting immediate measures for increasing the plantation of suitable timber, have been addressed to the Government of India by the Secretary of State during the year. It has been calculated that a plantation of 20 acres will be the average proportion required to meet the requirements of every mile of railway, and Lord Cranborne observed that it was "evidently necessary that planting on an extensive scale should take place annually for several years to come."

63. In some parts of India the cast-iron bowl sleeper answers admirably. In other parts, where there are difficulties in packing the iron sleeper (and this appears to be the case along the course of the East Indian line), wood is still preferred and has been found to answer. Several miles of steel rails have been sent out during the year. Their first cost is greater than iron, but for places where the traffic is greatest it has been calculated that the toughness and durability of the steel will enable it to stand more than three or four times the wear of the ordinary iron rail. Taking into consideration the cost that is incurred in sending the materials to their destination, a cost which, in some cases, where the inland

Iron and wood for sleepers.

Steel rails.

carriage is of considerable length, almost doubles the original price of the iron rails, it is worth, while within certain limits and for certain purposes, to purchase an article superior to that which is usually employed. But even in this country, where iron is at the door of the railways, steel is being used for rails to a greater extent every year.

Roads to the
stations.

64. With respect to the formation of roads in connexion with the railways, some, but not very rapid, progress has been made in their construction. Many stations are without this necessary accommodation. Everybody acknowledges the importance of providing it, and a system of roads as feeders to each line has generally been approved by the Government. But the funds at the disposal of Government are not adequate to execute the works as promptly as could be desired. In the meanwhile the railway in some neighbourhoods is only available during the dry season and the development of the traffic is very much checked.

Rates and fares.

65. The rates and fares have in some places been slightly raised, in others lowered; but no material change has been made during the year. An experiment is being tried on the Great Indian Peninsula line to run "coolie" trains, corresponding with the trains for workmen on some of the English lines. The charge on such trains is at the rate of $\frac{1}{4}$ d. per mile. It has lately been determined by the Secretary of State in Council that the control over fares which under the contracts is given to the Government shall in future be exercised by establishing maximum rates and allowing the Railway Companies to charge under those rates what they consider most conducive to the development of traffic and to the interests of the railways. The Government thus have the opportunity of protecting the public from excessive charges and of securing to them the use of the railways on reasonable terms, and the railway executive are enabled, by watching various causes which influence traffic, to adjust rates to the circumstances of the times. I do not doubt that a true perception of their own interests and of the claims of the public will induce the railway authorities to provide, at moderate charges, every reasonable facility to all classes to use the railway. The following are the present rates of charge for passengers and goods.

Railway.	Passengers per Mile.								Goods per Ton per Mile.									
	1st Class.		2d Class.		3d Class.		4th Class.		1st Class.		2d Class.		3d Class.		4th Class.		5th Class.	
	Max. d.	Actual. d.	Max. d.	Actual. d.	Max. d.	Actual. d.	Max. d.	Actual. d.	Max. d.	Actual. d.	Max. d.	Actual. d.	Max. d.	Actual. d.	Max. d.	Actual. d.	Max. d.	Actual. d.
East Indian	—	1½	—	½	—	½	—	—	—	2	—	3	—	3½	—	6	—	1
Great Indian Peninsula	—	2½	—	1½	—	¾	—	Coolies. ½	—	1½	—	2½	—	3	—	4½	—	6½
Madras	*3	2½	1½	In use. ½	1	In use. ¾	—	—	1½	1½	2½	1½	3	In use. 2	4½	3	6½	4½
Bombay and Baroda	—	2½	—	1½	—	¾	—	—	1½	1½	2½	1½	3	2½	4½	3½	6½	5
Scinde	—	1½	—	¾	—	¾	—	—	1½	1½	2	1½	2½	2	—	3½	6½	4½
Punjab	—	3½	—	1½	—	¾	—	—	—	—	—	—	—	—	—	—	—	—
Eastern Bengal	—	1½	—	¾	—	¾	—	—	—	1½	—	1½	—	2½	—	3½	—	8
Calcutta and South-Eastern	—	1½	—	¾	—	¾	—	—	—	1½	—	1½	—	2½	—	3½	—	8
Great Southern of India	3	1½	2	¾	—	—	—	¾	—	2½	—	3	—	4½	—	6	—	—
The average of 12 English Lines	—	2·63	—	1·93	—	*92	—	—	—	—	—	—	—	—	—	—	—	—

* Express and night trains higher.

Transit duties.

66. The opening of the Great Indian Peninsula Railway to Nagpore introduced railway communication for the first time into the Central Provinces, and soon exposed the inconvenience which transit duties will cause to railway traffic, unless some alteration is made in the law relating to their collection. The Central Provinces are under a different fiscal jurisdiction to that of Bombay. The duty per maund upon salt and sugar in the former is three rupees. In the latter it is two rupees. The extra charge of one rupee has accordingly to be levied upon all salt and sugar passing between Bombay and the Central Provinces; and, in order to collect the duty, trains on crossing the frontier line are stopped and examined. In consequence of the duty being greater than the value of the articles, there is temptation to smuggle, and to pass bags containing salt for other goods. All trains arriving at the frontier, whether freighted with salt or not, are subjected to the inconvenience and delay of being searched. Frontier duties thus obstruct all traffic. As railway communication is extended, and made to penetrate through Native States, in all of which there are different transit duties, the inconvenience will become serious, if the existing mode of collecting the tax is continued. In a Despatch, dated the 8th April last, a hope was expressed by yourself

“that some means may be devised whereby the collection of the frontier duties may be secured with only a minimum of interference with railway traffic.”

67. In my report of last year, I stated that certain blocks, which had occurred in the traffic of the East Indian Railway in 1865–66, were considered by the Government and Railway authorities in India to be attributable to a deficiency of rolling and locomotive stock. This representation led the Consulting Engineer to the Company, Mr. Rendel, to investigate the subject and with the help of statistics of the working of the line during the past year, he has, I think, conclusively shown that the blocks in question were not due to an insufficient supply of locomotive and rolling stock.

Cause of interruptions on the East Indian Railway.

68. It appears, on examination, that the mileage run by the locomotives on this line during 1865–66 was very materially less than run by engines on English lines, and that a serious waste of power, both of locomotives and waggons, was occasioned by the manner in which the line was supplied with fuel.

69. In regard to waggons, it appears that, up to the early part of 1866, there was ironwork for waggons in store unused, and that therefore, if there was any deficiency of waggons in 1865–66, it was not caused by insufficient supplies from England. But a comparison of the stock available with the goods carried during the first and second halves of 1865 and the first half of 1866, shows that the block of the second half of 1865 was due to other causes than the principal cause alleged. The traffic of the second half of 1866, and, so far as it is known, of that of the first half of the present year, which are both largely in excess of previous corresponding half years, confirm this view. Changes of management have now removed or alleviated many of the difficulties which occasioned the block, but it seems clear that the line cannot be worked with the minimum of stock,—the importance of which Mr. Rendel shows it is difficult to overrate,—until either the present station at Howrah has been adapted to the traffic which flows into it, or a new station is built on the Calcutta side of the river.

GUARANTEED INTEREST.

70. It will be seen by the following statement that a sum of 2,964,073*l.* was last year advanced by the Government on account of guaranteed interest. Against this has to be set a sum of about 2,150,000*l.*, which the Railway Companies earned, reducing the net amount paid by Government to about 800,000*l.* The net amount so paid in the previous year was 1,450,000*l.* It is estimated that for the present year it will be about 600,000*l.*

71. The total amount advanced by the Government from the year 1849 to the end of 1866, for guaranteed interest, was 18,929,576*l.*, and about 7,000,000*l.*, had been paid back by the Companies from the earnings of the railways, making the present debt of the railways to the Government nearly 12,000,000*l.*

GUARANTEED INTEREST, INDIAN RAILWAYS.

Statement of the Total Amount of Interest advanced to each of the under-mentioned Indian Railway Companies, to 31st December 1866.

Company.	Interest paid up to 31st December 1865.			Interest paid during 1866.									Total Amount paid up to the end of 1866.		
				England.			India.			Total.					
				£	s.	d.	£	s.	d.	£	s.	d.			
East Indian - - -	*7,419,017	8	0	1,190,388	4	9	12,631	0	0	1,203,019	4	9	8,622,036	12	9
Great Indian Peninsula	3,470,134	12	2	660,620	16	11	18,820	2	9	679,440	19	8	4,149,575	11	10
Madras - - -	2,192,808	8	8	382,213	14	0	—	—	—	382,213	14	0	2,575,022	2	8
Scinde - - -	532,951	4	0	98,083	15	5	1,084	15	0	99,168	10	5	632,119	14	5
Punjab - - -	419,686	6	3	98,010	0	7	420	4	1	98,430	4	8	518,116	10	11
Delhi - - -	142,628	6	0	52,134	14	6	270	11	7	52,405	6	1	195,033	12	1
Indus Steam Flotilla -	98,030	0	2	17,671	14	5	—	—	—	17,671	14	5	115,701	14	7
Bombay, Baroda, and Central India - -	1,064,051	14	6	276,243	6	2	1,083	2	4	277,326	8	6	1,341,378	3	0
Eastern Bengal - -	356,215	19	10	85,316	11	5	393	10	8	85,710	2	1	441,926	1	11
Calcutta and South- Eastern - - -	96,009	19	0	23,928	10	8	567	0	3	24,495	10	11	120,505	9	11
Great Southern of India	173,968	5	9	44,192	1	4	—	—	—	44,192	1	4	218,160	7	1
Total - - -	£15,965,502	4	4	2,928,803	10	2	35,270	6	8	2,964,073	16	10	18,929,576	1	2

* Amended Amounts.

Accountant General's Department,
30th March 1867.

W. G. GOODLIFFE,
Accountant General.

72. The following brief account of each Railway will explain its present position and prospects. The particulars of the traffic are tabulated above, and General Baker's diagrams, which are appended to this Report, present at a glance the progress of each from the beginning.

EAST INDIAN RAILWAY.

73. The East Indian Railway has, during the past year, been carried over the Jumna into Delhi. The whole of the original main line from the opposite side of the river at Calcutta to Delhi, a distance of 1,019 miles, making, with several small branches, 1,131 miles in all, has thus been completed.

74. The line from Allahabad to Jubbulpore, which forms a portion of the main line between Calcutta and Bombay, will be opened very shortly, and then the only work remaining to complete the communication which this Company has undertaken to provide will be the chord line. In addition to this, the doubling of portions of the line will from time to time be put in hand as circumstances may require.

75. The average cost of the upper portion of the East Indian Railway has been about 15,000*l.* per mile. The lower, or Bengal portion, has been at least half as much again. It is estimated that the Jubbulpore line, of 223 miles in length, will come to 14,700*l.* per mile, inclusive of rolling stock, and maintenance for one year.

76. I have, in a former part of this report, explained that, in the first half of the year 1866, the earnings of the open line exceeded the amount of guaranteed interest upon the whole capital to an extent which admitted of an increased dividend of 5*s.* per cent. for the half year to the shareholders. The second half was not so prosperous. An interruption of three weeks duration in the traffic was caused by the destruction of a bridge, and the famine diminished the number of passengers; but, to judge from present returns, the current half year is likely to produce very satisfactory results.

77. The way in which the traffic in some articles is influenced by the vicissitudes of seasons and the state of trade may be illustrated by the following examples. During the half year ending June 1865, the cotton brought down to Calcutta was 5,26,249 maunds. In the corresponding half of 1866, it was 11,92,373. In the same periods the grain was 1,54,123 maunds and 7,61,895 maunds respectively. In the first half year of 1865, the rice taken up was 8,19,706; in the same season of 1866, it was 1,65,253. The salt in 1865 was 3,69,602 maunds; in 1866, 4,35,586.

78. The following Table shows the principal articles which constitute the merchandise traffic on this line both up and down country:—

Article.	Half Year ending 30th June 1865.			Half Year ending 31st December 1865.			Whole Year, 1865.		
	Weight.			Weight.			Weight.		
	Up Country.	Down to Calcutta.	Total.	Up Country.	Down to Calcutta.	Total.	Up Country.	Down to Calcutta.	Total.
	Maunds srs.	Maunds srs.	Maunds srs.	Maunds srs.	Maunds srs.	Maunds srs.	Maunds srs.	Maunds srs.	Maunds srs.
Coal - - -	199,395 0	3,150,801 0	3,350,196 0	137,299 0	3,128,406 10	3,265,705 10	386,694 0	6,279,207 10	6,615,901 10
Cotton - - -	47,957 10	526,249 10	574,206 20	7,149 10	464,515 30	471,665 0	55,106 20	990,765 0	1,045,871 20
Grain - - -	60,311 20	154,123 10	214,434 30	192,503 0	445,738 0	638,241 0	252,914 20	599,861 10	852,675 30
Gunny - - -	92,669 20	13,056 30	105,725 10	48,821 30	19,365 10	68,187 0	141,491 10	32,421 0	173,912 10
Hides - - -	2,683 0	52,087 10	54,770 10	6,010 10	39,620 0	45,630 10	8,693 10	91,707 10	100,400 20
Indigo - - -	263 30	24,560 20	24,824 10	433 10	70,203 0	70,636 10	697 0	94,763 20	95,460 30
Iron, Ironmon- gery - - -	130,555 20	59,238 20	189,794 0	220,691 20	9,950 0	230,641 20	351,247 0	69,188 20	420,435 20
Piece Goods - -	206,051 0	15,433 30	221,484 30	229,485 10	25,898 30	255,384 0	445,536 10	41,312 20	476,848 30
Pulses - - -	52,845 20	145,738 0	198,583 20	64,854 20	104,974 30	169,829 10	117,700 0	250,712 30	368,412 30
Rice - - -	819,706 20	1,012,398 30	1,832,105 10	745,346 20	210,441 30	955,788 10	1,565,053 10	1,222,840 20	2,787,893 30
Salt - - -	369,602 30	313,740 0	683,312 30	423,910 30	202,549 0	626,467 30	793,521 20	516,259 0	1,309,780 20
Seeds - - -	6,532 0	587,924 30	594,456 30	21,283 20	262,343 20	283,627 0	27,795 20	850,268 10	878,063 30
Sugar - - -	53,234 10	151,774 0	205,008 10	52,021 0	82,978 0	134,999 0	105,255 10	234,752 0	340,007 10
Tea - - -	2,822 30	764 30	3,577 20	8,422 20	1,345 30	9,768 10	11,245 10	2,100 20	13,345 30
Tobacco - - -	13,916 10	9,667 30	23,484 0	14,906 10	13,272 0	28,322 20	22,839 30	51,062 10	73,901 30
Wearing Apparel	- - -	- - -	- - -	- - -	6,191 30	6,191 30	3,256 0	3,256 0	9,447 30
Wines - - -	205,027 10	9,638 0	214,665 10	369,038 14	2,506 10	370,534 24	573,065 24	12,234 10	585,299 34

79. The gross traffic earnings during the year ending the 31st December last were 2,012,680*l.*, as compared with 1,674,441*l.* in the previous year; and the net

receipts were 1,119,315*l.* in 1866, and 928,752*l.* in 1865. The receipts per train mile in 1866 were 8*s.* 9*d.*, in 1865 7*s.* 9*d.* The expenditure per train mile was 3*s.* 7 $\frac{3}{4}$ *d.* in 1866, and 3*s.* 8*d.* in 1865.

GREAT INDIAN PENINSULA RAILWAY.

80. One hundred and fifty miles have been added to the length of open line in this Company's system since the beginning of the year 1865, making the whole distance over which traffic is now carried to be eight hundred and fifty-two miles. By the completion of the branch to Nagpore, an important section was opened, connecting, as it does, Bombay with the heart of the cotton districts of Central India. The works on the line to Jubbulpore are now progressing satisfactorily, but they will not be finished for eighteen months after the East Indian line to that place is opened. Fair progress has been made on the South-East line towards Madras. It is expected that this will be completed early in 1869. The direction of the Company's affairs in India has been transferred from the hands of Captain Sherard Osborn, R.N., C.B., who resigned the appointment in July last, to those of Major-General Harry Rivers, late R.E., who, in the large experience in the Company's affairs which he acquired when Consulting Engineer to the Bombay Government, possesses a valuable addition to his other high qualifications for the duties of the post.

81. The average number of miles over which traffic has been carried has increased from 595 in 1865 to 740 in 1866. The gross receipts during the early half of the year were very large, amounting to 812,757*l.*, and, as I have before stated, enabled the Company for the first time to declare a larger dividend by 5*s.* than the 5 per cent. guaranteed. This high rate of earnings was not sustained during the second half of the year, the gross receipts being only 440,205*l.* This may be chiefly accounted for by the depressed state of trade in Bombay.

82. Compared with the year 1865, the gross receipts for 1866 were 1,252,962*l.*, as against 1,175,090*l.*, the receipts per train mile being 10*s.* 5*d.* and 10*s.* 11*d.* respectively. The net receipts in 1865 were 480,494*l.*; in 1866 they were 536,334*l.* The expenditure per train mile in 1865 was 6*s.* 2*d.*; in 1866, 6*s.* 4 $\frac{1}{2}$ *d.*

MADRAS RAILWAY.

83. The North-West line of this Company's system has been increased this year by thirty-four miles, raising the whole length of railway now open to 645 miles. The works between the present terminus of the North-West line and Raichore, where it will form a junction with the Great Indian Peninsula Railway, are in progress, and will be completed simultaneously with the works on that railway.

84. The traffic during the year has been injuriously affected by the failure of the monsoon rains, the consequent scarcity and famine, and the state of trade. The gross receipts were 438,787*l.*, as compared with 405,000*l.* of 1865. The net earnings in the two years were 249,372*l.*, and 269,452*l.* respectively. The receipts per train mile on the South-West line in 1865 were 6*s.* 1*d.*, and the expenses 2*s.* 10 $\frac{3}{4}$ *d.* In 1866 they were 6*s.* 7 $\frac{3}{4}$ *d.* and 3*s.* 2*d.* respectively.

85. Reviewing the progress of this undertaking from its commencement, there is every reason to be satisfied with the steady development of the traffic, and its gradual improvement in every respect. Good service was rendered by this railway during the season of scarcity by conveying to the famine-stricken districts nearly 23,000 tons of food, an amount which would have employed 17,000 carts every day for three months.

86. It has for some time been felt that Beypoor was not a suitable terminus for this railway on the western coast. It provides the conveniences neither of a harbour nor a port, and the advantages of the railway to the western side of India are greatly diminished in consequence of this want. Proposals have accordingly been made to extend it northwards to Calicut, or southwards to Cochin. The former would hardly be much better than Beypoor, but Cochin appears to offer considerable advantages. Independently of possessing a fine harbour, there is close by a remarkable roadstead, accessible to ships at all seasons. The only drawback is that the line would pass through foreign territory, but this would

be slight if the Rajah will give ordinary support to the undertaking, and this he appears inclined to do. The subject has been referred for the consideration of the Supreme and Madras Governments.

BOMBAY, BARODA, AND CENTRAL INDIAN RAILWAY.

87. No addition has been made to the length of this line during the year. The reclamation of the land between its present temporary and its future permanent terminus at Bombay is now being vigorously prosecuted, but the disastrous break down of the Reclamation Company has caused delay in the progress of the work. The extension of the line at its upper terminus over the Saburmuttee river has been sanctioned. The crossing of this river will be effected by means of the iron bridge which was sent out originally for the Chinnee Creek on the Scinde Railway, and which has now been purchased by the Bombay, Baroda, and Central India Company. It is expected that a considerable traffic will be attracted to the railway from Guzerat, when the inconvenience and difficulty of bringing goods across the river are thus removed.

88. Considerable damage was done to this line by the floods which occurred in Western India during the monsoon of 1866. Their violence is said to have been unprecedented, and for the greater portion of the month of August traffic was suspended between Veturnee river and Dhanoo, a distance of 30 miles, from their effects. About 20 different gaps, varying from 25 to 100 feet, and one of 1,000 feet, were made in an embankment solidly constructed of rubble, stone, and gravel ballast six feet in thickness. The larger bridge withstood the torrent without receiving any injury. The cost of the permanent repairs and alterations has, under the exceptional circumstances of the case, been allowed as a charge against capital.

89. This line, when completed, will have been one of the most, if not the most, expensive in India. Its mileage cost will probably amount to more than 20,000*l*. To cover the interest upon the capital of 6,000,000*l*., a large traffic will be required, and a large traffic may, I believe, before long, be reasonably expected. Its capabilities are, at present, cramped by the want of a good terminal station at the Port of Bombay, and by the imperfect road communications with the stations. And during the past year the interruptions above referred to, combined with the state of trade, have helped to impede the development of the traffic. Notwithstanding these drawbacks its growth has not been unsatisfactory; one promising feature is, that the up and down traffic is pretty evenly balanced, whereby waste of power and room are avoided. In the year 1865, the gross receipts were 321,816*l*., and the net 112,833*l*. In 1866 they were 407,688*l*. and 114,455*l*. respectively. The gross receipts per train mile in 1865 were 12*s*. 6 $\frac{3}{4}$ *d*., and the expenses 8*s*. 1 $\frac{3}{4}$ *d*.

90. In a former part of this report, I have referred to the probable extension of this Company's system from Baroda, *viâ* Neemuch, to Delhi.

SCINDE RAILWAY.

91. The monsoon which visited Western India with such severity in August, and so seriously injured the Bombay and Baroda Railway, had not expended its force when it reached Scinde. These rains have not usually extended to Scinde, but last year the fall was extraordinary. In two days 40 inches fell, and the floods produced by this sudden down pour necessarily caused considerable damage. A viaduct on the line was swept down by the ruins of a village which had been carried away. Iron girders, 60 tons in weight, were borne along half a mile distant from the bridge, and rails were taken 300 feet from the line. The traffic both in passengers and goods was interrupted for several weeks, and the receipts were proportionately reduced. As in the case of the Bombay and Baroda line the cost of repairing the damage will, in consideration of the exceptional character of the season, be allowed as a charge against capital. This expenditure will increase the already high cost of this railway. One disadvantage which an undertaking of this limited character possesses, in comparison with longer lines, is that the terminal charges both on the capital and revenue accounts are disproportionately

large. This line, for instance, which is 109 miles in length, has double lines laid down at the Kurrachee and Kotree termini, 41 miles in length.

92. In the year 1864-65, the gross receipts were 82,493*l.*, and the net 3,507*l.* In the year 1865-66, they were 53,166*l.* and 10,083*l.* respectively.

INDUS STEAM FLOTILLA.

93. It is well known that the vessels which formed the early portion of this Company's flotilla did not turn out satisfactorily. The existing fleet, however, works regularly, although a steamer is occasionally interrupted, when the river is low, by snags and other impediments. Two vessels were sunk during the past year from this cause, but were afterwards raised and soon afloat again, much to the credit of the Company's officers.

94. The Flotilla now consists of 13 steamers (one of which has been laid by for the present, and four have not yet commenced work), 3 tugs, and 26 barges.

95. The gross receipts in the year ending June 1865 were 73,958*l.*, and the net 16,460*l.* During 1865-66, they were 80,640*l.* and 22,283*l.*

PUNJAB RAILWAY.

96. It was not to be expected that this line would yield large profits at this early stage of its existence. The Punjab, while rich in agricultural produce, is a comparatively new province of British India, and young in civilization; and the railway, although sure to give a stimulus to all departments of industry, cannot, until access is obtained to it by roads from the neighbouring districts, confer those general benefits upon the country which it otherwise would. The traffic is still of a limited character, and its development during the year that has just passed has been checked by the depressed state of trade, and the consequent reduced demand for the products of the province. By practising proper economy in working the line, and by an energetic management, there is every reason to hope for a steady improvement in the receipts.

97. In the year 1864-65, the gross receipts were 25,250*l.*, and the net receipts 6,009*l.* In 1865-66, the gross receipts were 90,269*l.*, the net 25,395*l.*

DELHI RAILWAY.

98. The progress made in the construction of this line is satisfactory. The proceedings of the contractors, Messrs. Brassey, Wythes, & Co., have been marked by considerable vigour. In the case of a line like this, which crosses several rivers, the time of completion depends on the progress made in the execution of the bridges. It is satisfactory, therefore, to know that the piers and abutments of all the large bridges will probably be got in this year before the rains. The first section, from Ghazeeabad (where the line joins the East Indian) to Meerut, thirty miles in length, was opened last month. This will connect Meerut with Delhi and the many important places on the East Indian Railway down to Calcutta. It is expected that another section, between 20 and 30 miles in length, will be opened from Umritsur (the Punjab Railway terminus) to the river Beas in the month of August.

EASTERN BENGAL RAILWAY.

99. The works on the Goalundo Extension of the Eastern Bengal Railway have been progressing favourably. The iron cylinders for the bridge over the Goraie River have been despatched from this country. The cost of the whole line now sanctioned, when completed, will be about 2,800,000*l.* or upwards of 17,000*l.* a mile. Parliamentary powers were obtained by this Company last

Session to run steamers on the rivers which communicate with their line. The traffic which has been carried by this means has produced satisfactory results.

100. The same causes which have had an unfavourable effect upon the receipts of other lines have also affected this. The number of third-class passengers has diminished, in consequence of the famine and the high prices of provisions, and the goods traffic has been injured by the failure of the jute crop and the depressed state of trade.

101. The gross receipts in 1865 were 123,374*l.*, and the net, 62,111*l.* In 1866 they were 129,347*l.*, and 62,246*l.* respectively. The receipts and expenses per train mile were, in 1865, 7*s.* 7*d.* and 3*s.* 9½*d.* In 1866 they were 7*s.* 11½*d.* and 4*s.* 1½*d.*

GREAT SOUTHERN RAILWAY.

102. Considerable progress has been made in the extension works on this line. Forty-seven miles were opened for traffic last year, and the whole of the extension to Erode, where it forms a junction with the Madras Railway, will probably be finished by September. The famine in this part of the country has had the effect of impeding operations on the unfinished line, and of checking the traffic on the open line. The cost of this railway when finished with a single rail will be less than any other in India, viz., 7,700*l.* per mile. The expense of maintaining and working it has also hitherto been very moderate. With continued good management, and by adopting proper measures for developing the traffic, it may be expected before long to produce earnings sufficient to cover the guaranteed interest.

103. In 1865 the gross earnings were 35,236*l.*, and the net 17,785*l.* In 1866 these sums were 45,582*l.* and 24,694*l.* respectively. The train mileage earning in the former year was 5*s.* 2*d.*, in the latter, 4*s.* 10¾*d.*, the cost per train mile being 2*s.* 7*d.* and 2*s.* 3*d.*

THE CALCUTTA AND SOUTH-EASTERN.

104. A combination of untoward circumstances has continued to operate against the successful working of this line, and a deficit still appears in its revenue accounts. Just as the traffic was beginning to make progress, the bed of the river where the jetty had been put up shifted, in consequence, it is supposed, of certain operations on the shore close by, and it was partly carried away. This caused a stoppage of business, both at the port and on the railway. The building, however, has since been going on steadily, under the auspices of the Port Canning Company, who have expended upwards of 600,000*l.* upon the place, and a new town is now gradually forming, so that, when the dangers and difficulties of its infancy are passed, the whole scheme of establishing a port on the Mutlah, of which the railway only forms a part, will be in a more promising condition. Upon the whole, we may look with hope, if not with confidence, to the future.

SUMMARY.

105. The main facts given in the foregoing pages may be briefly summed up as follows:—

The length of line open for traffic has, during the year 1866, been increased from 3,331 miles to 3,638 miles; and the extent now sanctioned (including the Indian Branch Railway) is 5,641 instead of 4,924 miles. An addition of 7,750,000*l.* has been made to the capital expenditure, which, on the 1st April, had reached a total sum of nearly 68,000,000*l.* The materials sent out during the year amounted to 326,845 tons, of the value of 2,658,357*l.* On the 1st January last, the total amount of goods which had been provided for the railways from this country, was 3,195,862 tons, which cost about 20,200,000*l.* The proprietors of Indian Railway stock and debentures have increased from 39,466, on the 1st January 1866, to 43,824, on the 1st January 1867. The capital held by them amounted respectively to 60,000,000*l.* and 64,500,000*l.* The number of locomotive engines

has increased from 725 in 1865 to 795 in 1866, the passenger carriages from 1,584 to 1880, and the other vehicles from 16,173 to 17,446.

106. The gross receipts, for the year ending 30th June 1866, were 4,537,235*l.*, as compared with 3,122,480*l.* of the previous year. The working expenses were 2,225,495*l.* and 1,566,437*l.*, and the net receipts 2,304,534*l.* and 1,341,550*l.*, respectively. In 1864-65 the number of passengers were about 12,500,000. In 1865-66 they amounted to about 12,867,000. The sum paid by the passengers last year, exclusive of telegraphic messages, was 1,278,580*l.*; the amount received for the conveyance of merchandise, parcels, &c., was 3,091,723*l.*, and 10,120,920 train miles were run.

107. Reviewing the proceedings of the year, and making allowances for the adverse circumstances against which the railways have had to contend, the results cannot but be regarded as satisfactory and encouraging. In spite of commercial depression and monetary disasters, of drought and famine, of unprecedented floods and destructive inundations, the works under construction have steadily progressed, and the traffic has increased. A larger expenditure has taken place than in several preceding years, the revenue has been greater than at any previous time, and the effects of the Railways upon the general prosperity of the country have been abundantly manifested, whether regarded in relation to its material progress, to the comfort and convenience of the people, or to their social improvement.

I have the honour to be,

Sir,

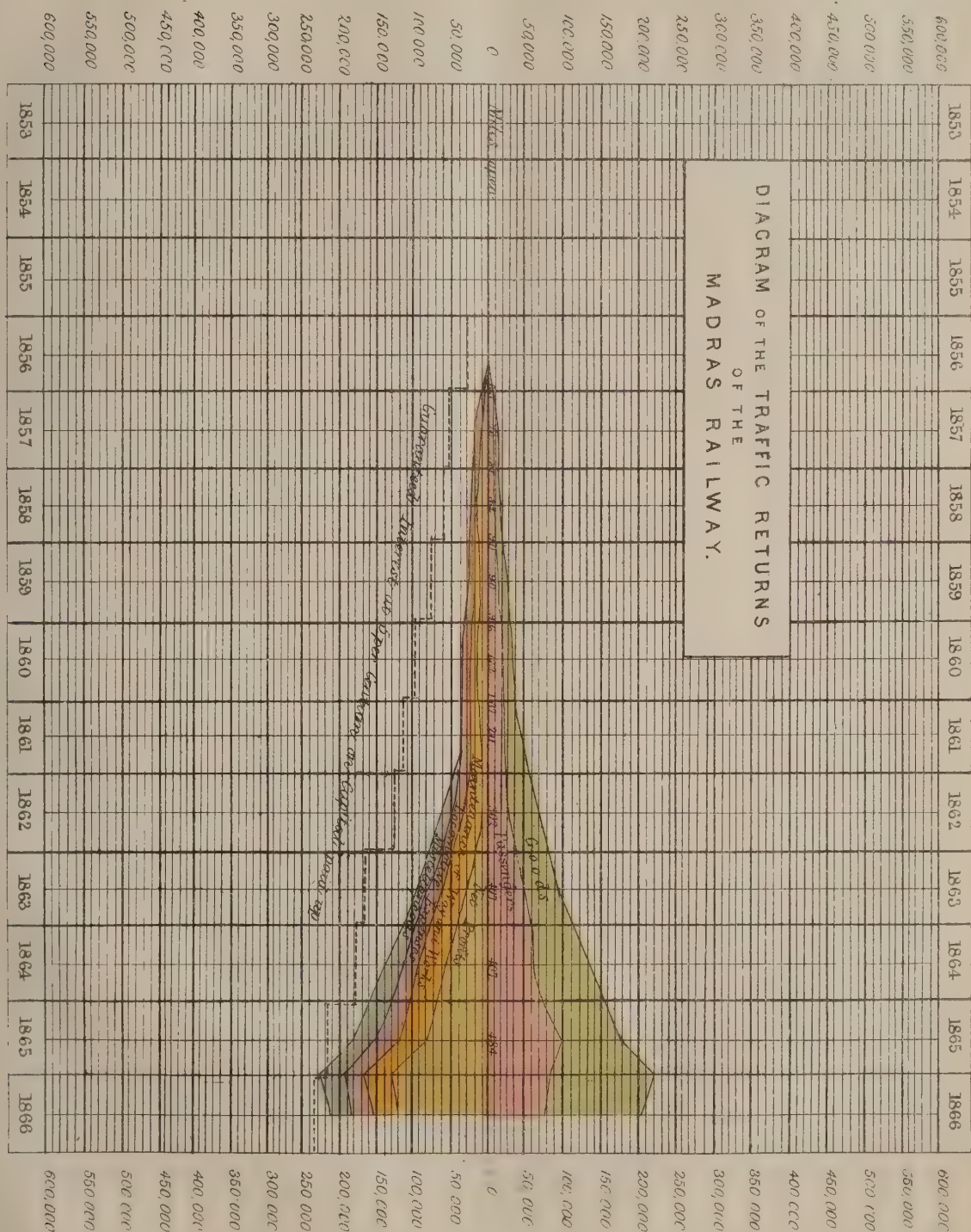
Your most obedient, humble Servant,

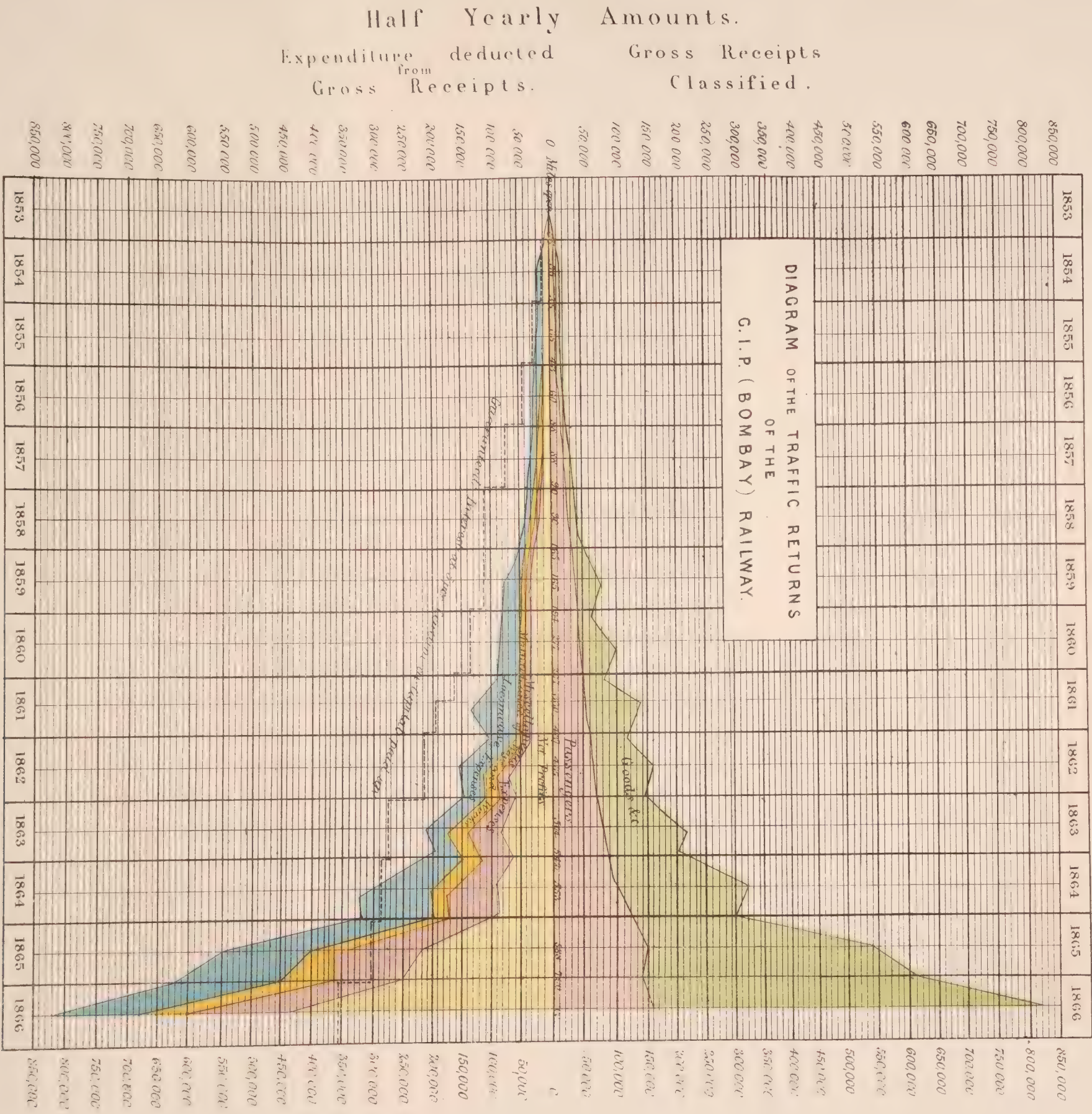
JULAND DANVERS.

LONDON :

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Expenditure	deducted	Gross Receipts
	from	
Gross Receipts.		Classified.



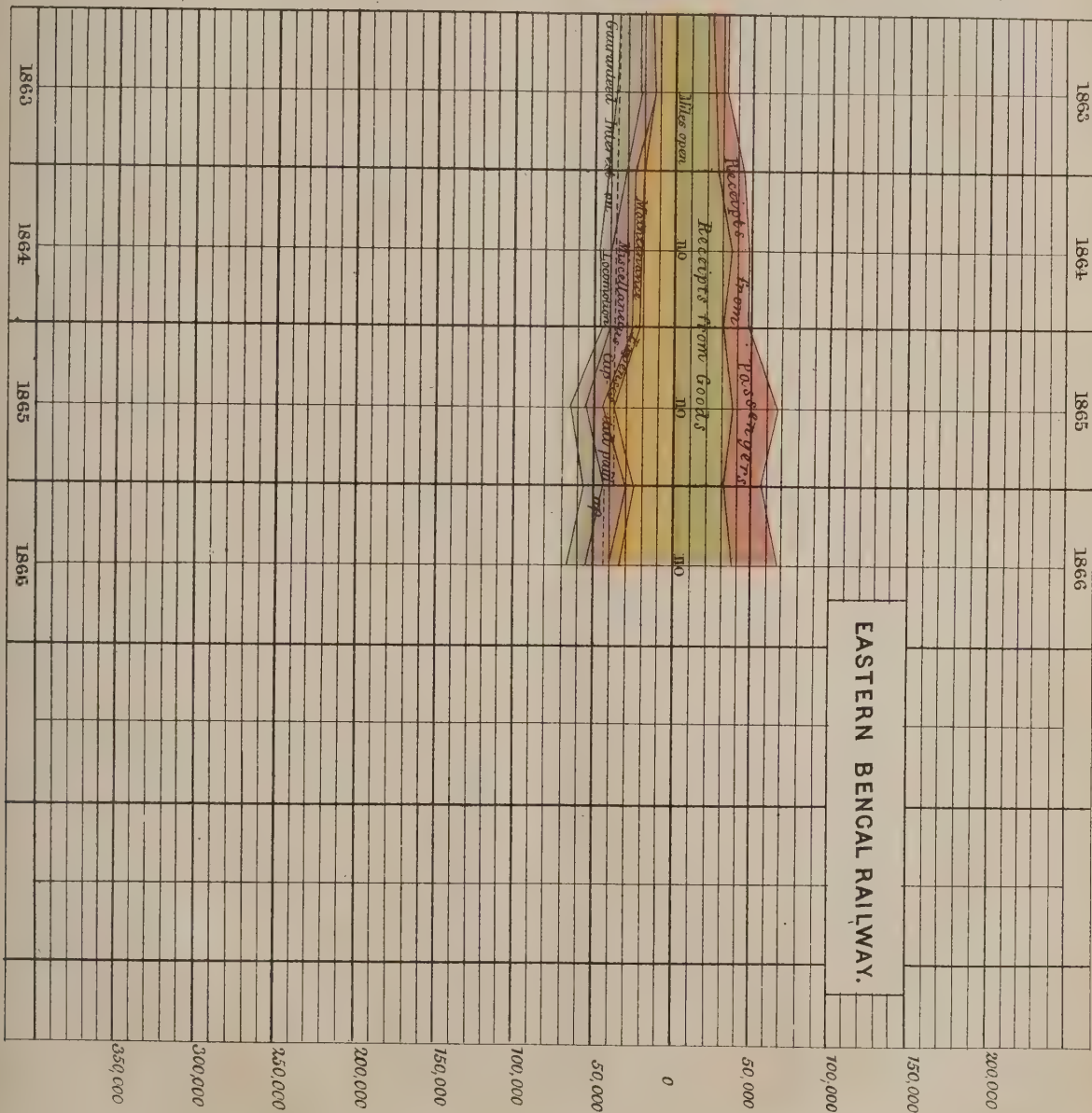


Half Yearly Amounts.

Expenditure deducted
Gross Receipts

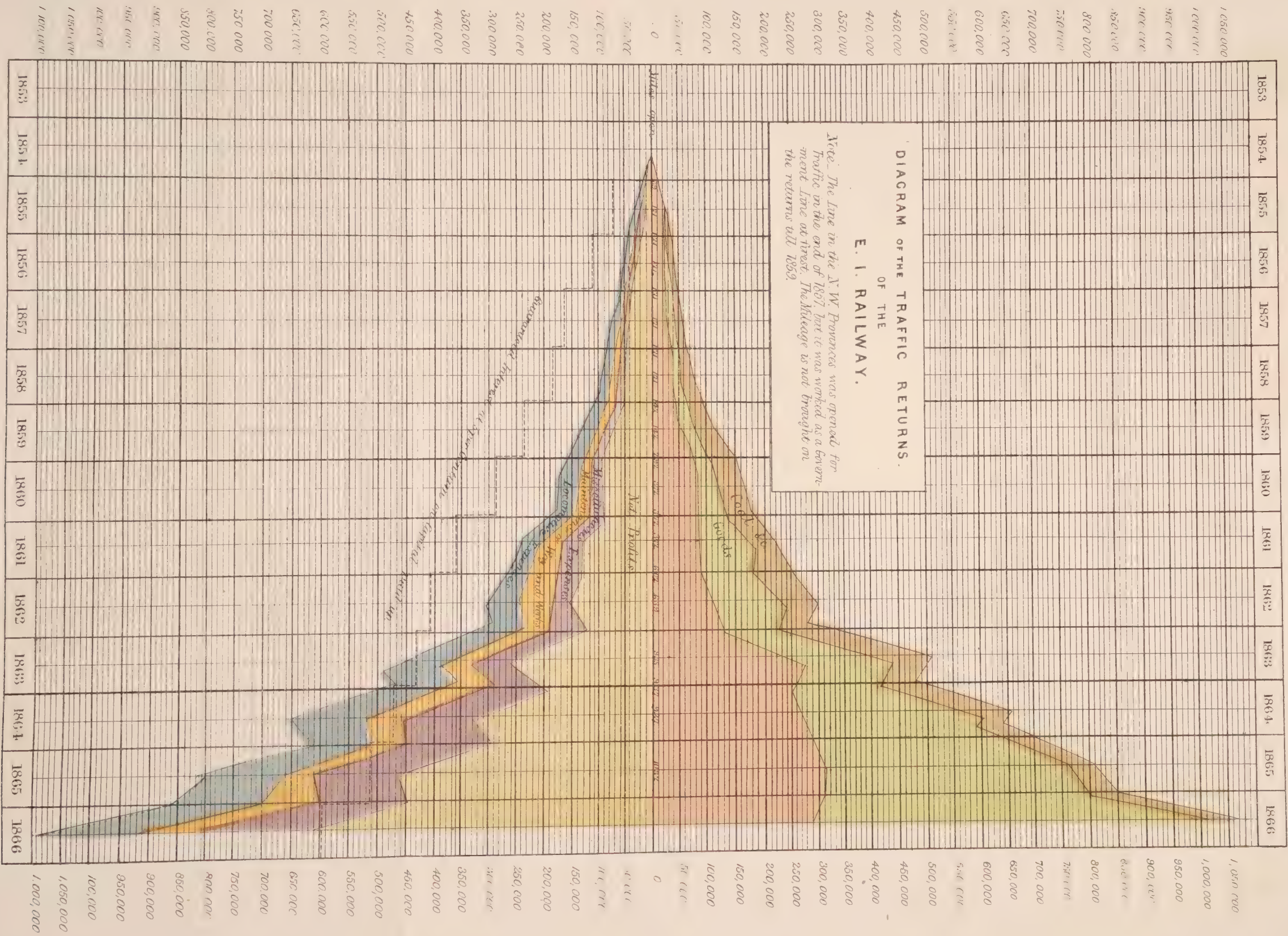
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150,000
200,000
250,000



Half Yearly Amounts.

Expenditure deducted from Gross Receipts. Gross Receipts Classified.



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EAST INDIAN RAILWAY COMPANY.

RETURN to an Address of the Honourable The House of Commons,
dated 29 March 1867;--for,

“COPY of a LETTER, dated the 21st day of March instant, from the
CHAIRMAN of the EAST INDIAN RAILWAY COMPANY to the SECRETARY
of STATE for INDIA, with the PAPERS accompanying it.”

LETTER to the Secretary of State for *India* on the Constitution and Manage-
ment of the EAST INDIAN RAILWAY COMPANY, by *R. W. Crawford*, Esq., M.P.,
the Chairman of the Company.

———“*Super et Garamantas et Indos
Proferet imperium.*”

East Indian Railway House,
21 March 1867.

Dear Sir Stafford Northcote,

THE following “Memorandum on the Constitution and Management of the
East Indian Railway Company” was prepared after communication with your
predecessor in office, Lord Cranborne.

Its purpose is to show the methods by which we have succeeded in gradually
overcoming the difficulties attendant, in its early stages, upon the working of
an effective system of Railway administration, in which private enterprise is
combined with a guarantee and control on the part of the State.

The contract between the Company and the Government has for its basis a
guarantee, on the one side, of an annual income on the capital of the Company,
with adequate security for the State in respect of its guarantee and the public
interests: and, on the other side, the free application of the principle of
associated enterprise, unfettered by the drawbacks incidental to official adminis-
tration.

At the same time the practical difficulties inherent in the local management
of the affairs of a great concern, such as our Railway Company, at a distance
many thousand miles apart from the seat of the governing authority, have been
satisfactorily solved. The supreme authority of the Directors remains intact;
whilst the details of the local administration are as little interfered with as
possible, so long as they conform to the general rules of procedure prescribed
from this country.

The result shows that a system vast and complex in its details can be worked
most efficiently, with the precision of a piece of mechanism; and for this, I may
say with truth, we are indebted in no slight measure to the prudent and con-
ciliatory manner in which the control of the Government has been exercised by
the official Director, and the frank and ready consideration bestowed at all
times upon our representations by Lord Halifax when he was at the India
Office.

Yours, &c.
(signed) *R. W. Crawford.*

The Right Honourable
Sir Stafford Northcote, Bart., M.P.,
&c. &c. &c.

MEMORANDUM on the Constitution and Management of the
EAST INDIAN RAILWAY COMPANY.

Constitution and
Capital.

THE East Indian Railway Company was constituted under a Deed of Settlement, incorporated, together with certain sections of "The Companies' Clauses Consolidation Act," 8 Vict. cap. 16, in a private Act, 12 & 13 Vict. cap. 93, whereby the Company was authorised to construct and work Railways in any part of India, and to raise for the purpose capital to an extent not exceeding 20,000,000 *l.*, in shares or stock, and to borrow 3,000,000 *l.* on debentures.

By a subsequent Act, 27 & 28 Vict. cap. 157, the Company was authorised to raise further capital to the extent of 7,000,000 *l.*, and to borrow 2,333,000 *l.* on debentures.

Relations with the
Government, and
Works undertaken.

The relations of the Company with the Government of India were, in the first instance, defined by a Deed of Contract with the East India Company, dated 17th August 1849.

The undertaking then commenced was an experimental line of Railway from Howrah, opposite Calcutta, towards the North Western Provinces of India. Subsequently it was determined to continue that line to Delhi *via* Rajmahal, with a branch to the Barrackur *via* Ranegunge, to construct a line between Allahabad and Jubbulpore, and a chord line from the Barrackur to Luckieserai on the main line to Delhi.

The Company's relations with the Government have been further defined from time to time by subsidiary contracts with the East India Company, and the Secretary of State for India.

Progress of Works.

The works on the Main Line between Calcutta and Delhi are for the most part completed, with double works, but with a single line, and have been for some time past opened for public traffic. Those on the Jubbulpore Line are in a forward state, and will soon be ready to be opened; whilst those on the Chord Line (which will connect the Ranegunge Branch with the station at Luckieserai on the Main Line, by the much shorter and direct route communicating with the Kurhurballee coal fields) are being actively proceeded with.

On the completion of these works, the East Indian Railway system will comprise, inclusive of all branches, a total length of 1,500 miles, out of which the entire distance between Calcutta and Allahabad, 560 miles by the way of the Chord Line, will have been doubled throughout, bridges included.

The works now being carried on in India may be classified as follows:—

Chord Line	-	-	In construction.
Jubbulpore	-	-	Ditto, nearly completed.
Main Line	-	-	Doubling from Luckieserai to Allahabad.
Ditto	-	-	Finishing generally throughout.

In this country, contracts are in course of execution for the bridge-work superstructure required to complete the doubling, as well as for the residue of the permanent way materials needed for the same purpose, and of the locomotive and rolling stock necessary to accommodate a traffic of 60 *l.* per mile per week over the whole line of 1,500 miles.

Capital.

The Capital raised in Shares, and Debentures convertible into Shares, up to the 31st December 1866, is 22,687,240 *l.*, and the sum of 3,000,000 *l.* has been borrowed on Debentures. Practically, the whole of this Capital has been raised in this country.

No Capital can be raised, nor Debentures issued, without the sanction of the Secretary of State for India, in writing.

Expenditure.

The total sum expended to the 31st December 1866, in construction and stores, was about 25,565,000 *l.*

No expenditure in this country is permitted without the sanction of the Secretary of State for India.

Final detailed estimates are in preparation, to show the probable cost of all the works now in hand, the execution of which has been sanctioned by the Shareholders.

General

General meetings of the Shareholders are held twice in the year ; special General Meetings. meetings when convened.

The government of the Company's affairs is conducted in this country by a Management. Board of Directors in communication with, and subject to, the control and concurrence of the Secretary of State for India, exercised through an official Director sitting at the Board.

In India the management is conducted by a Board of Agency, representing in its corporate capacity the Agent referred to in the contracts with the Secretary of State, the control of the Government being directly exercised in that case through their Consulting Engineer ; but, inasmuch as the Agency may be said to represent the Board of Directors in London, as the directing executive of the Shareholders, the interests of the latter are specially represented in matters of expenditure and account by an audit department, carrying on its functions under a chief auditor, independently of the Agency.

The accounts of the Indian receipts and expenditure are sent to this country after having been audited by the Company's auditor, and approved by the Government ; and, having been brought to account in the Home Books, are again audited, as to their results, together with the details of the Home receipts and expenditure, by auditors elected by the Shareholders.

The Board consists of a Chairman and eight Directors, exclusive of the Government Director, but including the Managing Director, who gives effect to the resolutions of the Board, and supervises the current business of the Company. A "Transfer Committee," and a "Committee of Audit" are charged with special duties, hereafter described. Board of Directors.

The Board hears read at its weekly meetings, and disposes of, in the way of reply and otherwise, a constant and voluminous correspondence with the Secretary of State, the Board of Agency and Chief Auditor at Calcutta, the Shareholders, and the public generally. It considers and decides all questions affecting the policy of the Company, and determines all matters relating to the raising of Capital. It considers also, with the Consulting Engineer, either personally or in correspondence, important questions daily arising connected with the supply of materials and stores for India, the selection of officers required to fill vacancies in the establishments abroad, and innumerable special references on matters within his department. It receives and considers the reports from its committees, examines the bills for goods supplied, approves the weekly schedule of applications to the Secretary of State for money to discharge the same, and, generally, transacts the current and special business of a Board of Directors of a public company. The Board is advised by its Consulting Engineer as to all matters of an engineering character, and upon all questions relating to the purchase of or contracting for machinery, permanent way, stores, and goods of every kind. Purchases are decided, as an invariable rule, upon sealed tenders opened in the presence of the Board. In the case of goods for which tenders have been invited by public advertisement (which, as a rule is the principle acted upon), whilst the Board reserves to itself the right to accept the tender best in its judgment for the interests of the Company, the lowest tender is accepted, unless the Board is advised to the contrary upon good and sufficient grounds by the Consulting Engineer. In special cases, when, upon the advice of the Consulting Engineer, it is considered desirable to invite tenders from selected houses, the lowest tender conforming to specification is invariably accepted. All goods are contracted for under specification, and are carefully inspected during the process of manufacture, and the same care is observed in the packing of the goods for shipment. As a rule, payment is made on the certificate of the Consulting Engineer, and proof of due delivery at the Company's wharf or on shipboard.

All demands on the Company, of every kind (excepting for petty cash disbursements) are submitted, with vouchers, for the sanction of the Board, and finally settled by cheques drawn against money sanctioned and issued for the special purpose by the Secretary of State, out of the funds of the Company standing upon his account at the Bank of England.

The Transfer Committee, consisting of two members of the Board, undertakes the personal supervision of the registration and transfer of the Stock and Share Capital of the Company, the issue of its Debentures of all kinds, the issue of Transfer Committee.

Stock Certificates, and, generally speaking, of all matters appertaining to or connected with the department.

The nature and extent of the business of the Transfer Office will be referred to hereafter. It remains only to be stated here, that the authenticity of every individual transaction, whether it be the registration of Shares after a new allotment has taken place, the receipt of Calls on Shares and monies on Debentures, the debits and credits made in each Shareholder's account, the conversion of Shares into Stock, the credits for Stock in exchange for Debentures converted, or the transfer of Debentures, is testified in the several Stock and Share Ledgers and Debenture Registers, respectively, by the signature, in initial, of a member of the Committee.

Committee of
Audit.

The Audit Committee, consisting of four members of the Board and the Managing Director, takes special cognizance of all matters in any way affecting the expenditure of the Company. It constantly examines the cost of the different establishments in India, as well as estimates for works generally, and all matters relating to the traffic and working of the Line. It reviews, in particular, from week to week, the proceedings of the Board of Agency at Calcutta, recorded for that purpose under a system of procedure which will be noticed hereafter. It examines the correspondence which takes place in India, particulars of all of importance being sent home for the purpose. It inquires, also, into many matters of a more general character, specially referred for its examination, and, meeting every week, reports to the Board in writing.

In the Office establishment, the ordinary subdivisions are observed, and are as follows :

The General Office,
The Transfer Office,
The Accountants' Office, and
The Shipping Office.

In the course of the year 1866, 3,710 separate transfers of Shares and Stock, 4,914 registrations of Shares and Debentures, and 575 conversions of Debentures into Capital Stock, were passed through the necessary forms in the Transfer Office, and recorded, and 24,644 Certificates issued in respect thereof.

The number of Proprietors of Shares and Stock on the books of the Company on the 31st December 1866, was 11,472, many of them having more than one account in their name. The number of Debenture holders at the same time was 3,956.

Of letters received in the year 1866, the number was 10,456, and of letters and circulars sent out, 78,112.

During the same period, 69,827 tons of materials and stores were shipped to India, and insured through the Shipping Office.

Management in
India.

In the year 1849, when the Company entered upon the construction of the Experimental Line, under its first contract with the Government, and for some years subsequently, the executive administration of the Company's affairs in India was entrusted to a single agent in the person of Mr. (now Sir) Macdonald Stephenson. In the course of time, however, as the operations of the Company became enlarged, and the personal labour and responsibilities of the agent proportionately increased, the Board of Directors was led to reconsider the general question of the reconstruction of its agency, with the view of its being placed on a footing of permanent efficiency. The subject was accordingly brought under the consideration of the Government Director in a letter from the Chairman, dated 30th September 1856, of which a copy will be found in the Appendix (No. 1) to this Memorandum.

For reasons, however, which had their weight at the time with the Board, the further consideration of the question was indefinitely postponed until the manifest risk and disadvantages of a system of single agency became too apparent to allow of the further postponement of the question. A minute was accordingly prepared by the Chairman, at the request of the Board, and placed upon its records, in which the views of the Board upon the exigencies of the case, and the principles upon which the reconstruction of the agency should proceed, were fully set forth. A copy of this minute also is in the Appendix (No. 2).

Board of Agency.

After full consideration, the single agency of the Company at Calcutta was finally superseded in the month of April 1866, by a Board of Agency, consisting

ing of the former Chief Agent, as Chairman, the former Deputy Agent, and the Chief Engineer in the Bengal Division. The results of the change in the system of administration have entirely fulfilled the anticipations of its advocates.

The labours and responsibilities of the agency being no longer borne by an individual, but distributed amongst the members of the Board, each of whom is charged with special functions under accountability to the Board as a body, the mind and energies of its several members are centered upon the duties of the department assigned to him.

The establishment of an "Official Meeting" with the Consulting Engineer to the Government, once in the week, has put an effectual stop to the delays and impediments inseparable from the former method of communication by correspondence.

The presence of the Consulting Engineer at an "Official Meeting" sanctions proceedings from which he does not signify his dissent, and, in case of expenditure, the minute of such proceedings furnishes authority for the auditor to allow the expenditure, as between the Government and the Company.

The members of the Board of Agency are now enabled to visit distant parts of the line on the business of their departments as often as occasion may require, without the necessary delegation of supreme authority at Calcutta to a *locum tenens*, as was formerly the case. At the same time the Company's interests are secured against much of the risk of life and health inseparable from residence in India.

The regular transmission of the recorded minutes of the "Official Meetings" to this country affords the Board of Directors a clear and continuous insight into the policy, expenditure, and proceedings in general of the agency, and enables the Board to deal at once with any question or matter requiring their notice or intervention. These minutes are referred, as has been already stated, to the Committee of Audit in London for examination and report to the Directors.

The appointment of a travelling Inspector, recommended by the Board in a letter to the Secretary of State, dated 20th September 1862, has been recently allowed by the Government of India. The appointment of this officer will afford the Agency the means of informing themselves periodically, and at any time, of the condition of their establishments throughout the line. It will enable the agency to inquire also on the spot into matters of complaint, whether on the part of their own servants or of the public, to rectify abuses upon full knowledge of the facts, and generally to maintain the discipline and efficiency of the Company's service, without the necessary withdrawal, in every case of importance, of a member of the Agency from his duties at Calcutta.

The remaining works of construction on the Jubblepore and Chord Lines, before referred to, are being executed by firms of responsible contractors, in each case under the supervision of the Company's engineers. These contracts include the whole cost of the earthworks, bridging, station and telegraph works, and laying of the permanent way, together with the maintenance of the line for one year after completion. The permanent way, and equipment of locomotive and rolling stock are supplied by the Directors from this country.

The usual establishments are kept on foot for the working of the traffic, the maintenance of the way, and locomotive and carriage building, fitting, repairing, &c. The iron-work for the carriage department is of home manufacture, but the vehicles of all kinds are constructed in India, from pattern carriages also sent out from this country. The principal carriage-building establishment is at Howrah; the locomotive erecting and repairing shops at Jumalpoore and Allahabad.

The Agency is instructed to purchase, as a rule, in the country, commodities of local production or manufacture required for the purposes of stores or materials, provided the quality be suitable and the prices reasonable; but it is not allowed to buy in India, excepting in cases of emergency, articles of home manufacture, for which indent must be made upon the Board of Directors in London.

All payments in India require the sanction of the Government. In the case of construction expenditure under contract, the certificates of the Supervising

Engineer furnish the authority required by the auditor to allow, and by the Agency to make, the payment. In the case of working expenditure, the salaries of establishments, the cost of maintenance, &c., the system of preliminary estimate by the Agency, and authorisation on the part of the Government (analogous to the Parliamentary system of estimate and vote in supply), has been introduced with the best results, with regard to economy, as well as facility of audit.

Audit Department.

In the Appendix (No. 3) will be found extracts from the Board's correspondence with the Secretary of State, and the Agency at Calcutta, relative to the establishment of the Audit Department. In this correspondence the views of the Board with respect to the general principles upon which an effective Audit should be based, and the methods by which, in their opinion, those principles could best be reduced into practice, are fully set forth.

Upon the principles thus laid down the Audit Department has been established. Its functions are—

1st. To ascertain that the authorisation of the Government has been accorded to every demand upon the Agency before payment of the demand is made.

2nd. To satisfy itself, by the vouchers subsequently produced, that the payment so allowed has been made for the purpose for which it was granted.

3rd. To see that the payments so made have been brought properly to account.

It audits the whole of the traffic receipts, stock and share registry, has special cognisance also on the receipt and issue of stores, and regulates the periodical stock-takings.

It makes and finally settles with the Government the revenue account for the half-year, prior to its being transmitted through the Agency to the Board of Directors in London.

Under a recent arrangement with the Secretary of State, the account thus settled becomes the basis of the ultimate settlement between the Government and the Company. One moiety of the excess, if any, of the net profits thus ascertained over the sum advanced by the Government in London for the payment of the Shareholders' and Debenture-holders' guaranteed interest, is then paid by the Government to the Company, the other moiety remaining in the hands of the Government under the contract.

Thus the net profits of the half-year ended				<i>Rs.</i>	<i>a.</i>	<i>p.</i>
30th June 1866, having been	-	-	-	6,831,472	8	5
And the interest advanced	-	-	-	5,750,736	7	3
Of the balance amounting to				1,080,736	1	2
The Government retained in its own hands				540,368	0	7

the remainder being the property of the Shareholders, and giving them an extra dividend at the rate of $\frac{1}{2}$ per cent. per annum.

The accounts for the half-year ended 31st December 1866 have not yet been received from Calcutta. It may not be out of place, however, to state the result for the previous half-yearly period ended 30th June.

2,099,737 passengers and 401,305 tons of goods and minerals were carried over the line. The gross earnings were *Rs.* 11,645,918, the charge under all heads was *Rs.* 4,814,445 7*a* 7*p*, being at the rate of 41.34 per cent., and the net profit, as stated above, *Rs.* 6,831,472 8*a* 5*p*.

Savings Bank.

The Board have established, under the authority of Parliament, a Savings Bank for the benefit of their officers, and have under consideration the question of creating a Provident Fund upon principles which will give every servant of the Company a direct interest in the economical management of the undertaking.

R. W. C.

APPENDIX, No. 1.

East Indian Railway House,
Alderman's Walk, New Broad-street,
London, 30 September 1856.

My Dear Sir James,

INCREASING experience of the practical working of the system under which the affairs of our Company are administered in India was gradually leading me to the conclusion that the Board would find it necessary, at no distant period, to reconsider the whole question of its representation abroad, when I received an intimation from Mr. Stephenson that the state of his health would preclude the possibility of his being able to return to his duties next month. I lost no time, thereupon, in preparing the subject for discussion at the Board; and having done so, I now wish to submit for your consideration my general opinion upon the present system, with suggestions for a plan of future proceeding, under which, as it seems to me, the objects and interests of the Company will be effectually kept in view, at the same time that due regard is shown to our relations with the Government.

Before proceeding to this task, however, there are two points upon which I am anxious to guard myself against misapprehension. First, with regard to Mr. Stephenson, personally. No one can appreciate more fully and sensibly than I do the untiring energy, zeal, and assiduity with which he has devoted himself to the furtherance of this Company's interests in the prosecution of the great object of the best years of his life. But there is a limit to the mental and physical powers and endurance of every man; and it is evident that the task of adequately representing the Board, in the daily extending and multifarious duties and relations involved in the construction and working of a thousand miles of railway, is wholly beyond the powers of any one individual. A plan that would hardly have sufficed for the due administration of our Company's affairs, on the scale of our experimental line, must be, it is self-evident, wholly insufficient and inadequate for the proper direction and management of its affairs upon a scale augmented tenfold. Whatever opinions, therefore, I may express in the course of these observations, I hope I shall be understood as pointing attention to the inherent defects of our system, rather than calling into question the capacity and personal qualities of the individual to whose hands its administration has been intrusted.

Again, with respect to the Government. It is not to be assumed that in taking exception, as I do, to the mode in which the supervision of the company's affairs and proceedings is practically exercised in India, I am mistrustful or jealous of the officers upon whom that duty is imposed by the Government, or that I seek in any way to dispense with a supervision in which, on the contrary, I recognise a principle most wholesome in itself, and beneficial to the interests of the shareholders. My purpose in pointing out the imperfections of the present system of things, and in indicating some considerable misconceptions, as it seems to me, as to the nature of the mutual relations of the Government and the Company's officers, is to invite attention to the principle upon which those relations, as defined by the contract, are founded, as the basis for the establishment of a more perfect and harmonious system of co-operation.

When the Company was first formed, it was resolved to place the entire charge of its interests in India in the hands of a committee of management, subject in all respects to the control and direction of the Board in London, and to this duty Mr. Stephenson was appointed (as chairman), with Messrs. Adams and Beeton for his colleagues, under a letter dated 7th September, 1847, in which the general scope and nature of their functions were set out, together with particular instructions as to their proceedings in matters of detail. The mercantile catastrophe of that year, and the delay which ensued in the establishment of satisfactory arrangements with the East India Company, rendered it necessary to recall those gentlemen; and subsequently, after arrangements had been concluded, and the terms of the contract of 1849, for the construction of an experimental line, had been settled, the plan of working through a Board of Agency was laid aside, in deference to Mr. Stephenson's wishes, and he then took his departure to India, in the capacity of agent to the Company in that country.

In this early stage of our proceedings there were obvious advantages in the plan then adopted, but there were, at the same time, many disadvantages. Of these the chief one has been, in my opinion, the unavoidable departure from the course prescribed to the Board of Agency, under the instructions of 7th September 1847, of keeping regularly recorded minutes of their proceedings for the information of the Board of Directors in London. A sole agent has no such record to transmit, unless he keeps a diary in which his proceedings are regularly set out; and it is to this that I attribute the want of that particular, consecutive, and systematic information as to the operations of our agent in Calcutta, of which our Board has occasionally stood so much in need.

I do not blame Mr. Stephenson for this. Situated as he was, acting upon his own judgment, exercised at various times and places and under various circumstances, it would not have been possible for him to have communicated to the Board every resolution of his own mind, or every communication between himself and the Government or other third parties, involving subsequent action on behalf of the Company, as might and would have been done, if those communications, resolutions, and actions, had formed the subject-

matter

matter of a Board minute or record. Be this, however, as it may, I have always felt, as a member of the Board, and more particularly since I became its Chairman, the great deficiency we have laboured under in endeavouring to possess ourselves of, and carry away in our minds, that perfect knowledge of the Company's proceedings in India, which the regular perusal of the systematised records of a Board would have afforded. Our advices, considering the magnitude of the operations which are being carried on, and the interests involved, are, for the most part, meagre in the extreme, and without method or regularity, excepting in matters of comparatively trivial import; whilst the correspondence between the Agent and the Government, and with its own officers, though voluminous at all times, is frequently incomplete, and does not necessarily comprise everything of importance that passes, as would be the case if all such letters, involving a matter of principle or interest, were read at a Board meeting, and a copy were forwarded. In like manner, every payment should be authorised, and made at a Board, and placed on its minutes, together with every application to Government for a sanction, every sanction accorded, and every indent transmitted to this country.

It would not be difficult to cite instances in which we have been at a positive loss to know the stage at which proceedings in many cases have arrived in India. I need hardly remind you of the mode in which the contracts for the execution of the works towards Delhi were entered into, involving the Company as they did in liabilities and responsibilities of the most onerous character, without reference to the provision of the necessary funds, and with respect to which we were altogether unadvised; nor of the difficulty we experienced in obtaining information on the subject until the proper period for our interference had passed away. The proposal for the construction of the Soane Bridge, without reference, in like manner, to this country, forms another case in point.

With these facts and considerations strongly impressed upon my mind, I am of opinion that no time should be lost in reconstructing a Board of Agency to represent in Calcutta the Board of Directors in London, and to act as the Agent, contemplated in the Company's contracts with the East India Company; but before submitting further my views upon this particular point, I will notice those matters in regard to our relations with the Government abroad, to which I have before alluded.

The broad principle upon which our contract with the East India Company rests is the construction and working of a line of railway by an independent private company, under the direct control and supervision of the Government, retained and exercised as its security in respect of an annual interest guaranteed; and in carrying this principle out after the line has been selected, the mode of construction and designs for the works determined and agreed upon, and the expenditure sanctioned, the railway company may claim not to be interfered with in its proceedings, so long as the conditions of construction are not departed from, nor the sanctioned expenditure exceeded. I concede to the Government, on the other hand, the fullest power and authority to satisfy themselves at all times upon these points, and to apply such correction as may be necessary; but I cannot admit that the Government possesses any right to interfere between the Company's agents and subordinate officers, to prescribe the employment of particular officers on particular works, nor most especially that the approval of the Government was in any way necessary to the appointment by Mr. Stephenson of Mr. Cecil Stephenson to be the Company's Agent, after his own departure from Calcutta. I observe, in recent correspondence, the frequent exercise of an authority beyond that of control or supervision over the acts of the Company's officers, the assumption of which places them in a false position, and gives occasions for heartburnings and differences which otherwise would not exist. The power to command or instruct, to whatever extent it may be expressly declared or implied under the contract, should be specially reserved, I think, for those occasions, if they should arise, when the Agent or officers of the Company may be found to have exceeded or acted in contravention of the terms of the contract, authorised forms and modes of construction, or sanctions recorded.

I refer to Mr. Purser's case, not to offer any opinion upon its merits, upon which we are not at this moment in a position to form any judgment, but because it appears to me to prescribe and call for the instant propriety of relieving our executive officers from immediate accountability to the consulting officers of the Government. Conceding, as I freely do, to those gentlemen every desire to avoid all "authoritative interference" over our officers, as so very properly enjoined upon Lieutenant Greathed by Colonel Baker, it is nevertheless, and must continue to be, impossible to escape collisions of opinion, and under some circumstances collisions of temper, when the railway officer is made directly accountable for his proceedings to the judgment of the Government supervisor. That jealousies upon matters professional should display themselves, is to be expected. It is too much to hope from human nature that it should be otherwise when enlarged experience, accustomed to a ready deference to its mandates, is brought under subjection to another experience not so large or general, and where the authoritative power of check and control very naturally supersedes the disposition rather to co-operate. The remedy in this case lies in the appointment of a Local Agent, subordinate to the Board at Calcutta, who shall represent the Company before the Government of the North Western Provinces and its officers.

Of the 350,000 shares, constituting in round numbers the present allocated capital of the Company, only 11,405, standing in the name of 259 shareholders (of whom 208 do not possess the required qualification of 50 shares) are held in Calcutta, and of these 51 qualified shareholders many are ineligible from non-residence, or connection with the Company

as contractors, or otherwise. This circumstance alone would prevent the adoption of the Bombay precedent of the Board of Directors being represented in India by a deputation from its own body, if it were thought to be desirable on other grounds. The preferable alternative remains, therefore, of a Board of Officers specially selected for, and appointed to, the performance of the functions of the Company's Agent in India, under the order and control of the Board of Directors in London.

With respect to the constitution of this Board of Agency, I conceive that the precedent of 1847 will sufficiently meet the exigencies of the present case, in so far that its numbers shall not exceed three, together with a Secretary for the minuting of its proceedings and the preparation of its general correspondence and records. Of the three members of the Board, one should receive the appointment and exercise the authorities of Chairman of the Board or Chief Agent, with a salary proportionately larger than that of his colleagues; and he would select his own particular department, the superintendence, for instance, of the general business of the office and the correspondence, of the construction of the Line, or of the working of so much of it as had been opened for traffic. To Mr. Stephenson would this post of Chief Agent be offered in the event of his being able to return to India, otherwise it would be for the Board to select and send out the most competent person that could be found for the post in this country. The other two posts, and that of Secretary, might be filled either from the Company's officers already in India, or by selection here. The three members of the Board of Agency would form, individually, the parties, two of whom, with the Secretary, would sign in their *ex officio* capacity the cheques of the Board.

I do not advert to the question of salaries at the present moment. If the principle of the Board of Agency be admitted as an improvement upon the present insufficient system, the salaries, I apprehend, need not be of that magnitude to place any obstacle in the way of its adoption.

Opportunity would be taken of the appointment of this Board to frame and send out instructions for its guidance, which, sanctioned by the Court, would at once place the relations between the Railway Company's officers and the Government in India on a permanent footing of satisfactory co-operation.

(signed) Yours, &c.

R. W. Crawford.

Sir James Melville, K.C.B.

APPENDIX.—No. 2.

London, 25 August 1864.

THE question of the representation of the Company in India, with respect to the local administration of its affairs, and its relations to the Government under the contract, has been frequently discussed at the Board, but now requires formal consideration, with special reference to Sir M. Stephenson's letter of the 14th May 1864, read at the Board Meeting of the 19th May 1864, and the Secretary of State's Despatch of the 9th June 1864.

As long ago as the year 1856, the matter was considered, on receipt of an intimation from Mr. Stephenson that the state of his health would prevent his resuming charge of the Agency; and with the concurrence of my colleagues at the Board, I addressed, on the 30th September of that year, a letter to Sir James Melville, the *ex-officio* director, setting out our views at some length, and the manner in which the difficulties of the case, as they appeared to us, could be most conveniently got over, and its exigencies provided for. (A copy of this letter is annexed.) Sir James Melville was not prepared, however, to recommend our propositions to the favourable consideration of the Court of Directors. The matter was, therefore, suffered to drop, and Mr. Palmer was subsequently appointed to fill the vacant post of agent to the Company in India, on the same footing as that on which Mr. Stephenson had filled the office.

Experience has abundantly satisfied my mind that the views under which my letter to Sir James Melville was written were substantially correct, and I have always regretted that my proposals were never submitted to the Board for formal consideration. At a later date the subject was considered in the correspondence of the Board with the Secretary of State, commencing with their letter of 28th February 1861; and about the same time communications, having similar objects in view, were made by Mr. Palmer, independently to the authorities in India. The result of these propositions was the establishment of the arrangements under which the business of the Agency is now carried on, as detailed in the Board's letters of instruction, Nos. 653 and 678, of the 12th June and 26th November 1861, to Mr. Palmer.

In the meantime, the insufficiency of the agency arrangements, and particularly the unsatisfactory character of the Government audit, became apparent; and in 1861-1862 communications took place with the Secretary of State, which led to the adoption of the plans for the improved system of "Sanction" and "Audit" of expenditure, finally determined and agreed upon in the correspondence with the Secretary of State, printed by order of the Board.

To that extent I am persuaded that a great and substantial reform has been accomplished; a reform which has led already, and will continue to lead, to results most beneficial to the interest of all parties concerned; but there still remains the large and most important

question of the direct representation of the Company in India, and the more I consider that question by the light of our own experience, and from the point of view in which it has been placed by the reports of Mr. Taylor, and the comments of the Government authorities in India upon the working of the present system, the more am I convinced that the time has arrived when the whole question of the Agency should be carefully reconsidered, with the view of placing the administration of the affairs of the Company on a footing of efficiency, and freedom from the great risks which, it must be admitted, are inseparable from the concentration of all the duties and responsibilities of the Agency in the person of a single individual.

In order to form a correct estimate of what those duties and responsibilities are, it is only necessary to test them by the standard of the duties and responsibilities of the executive management of a great railway company in this country; and there are few such companies even now that will bear comparison with our own, whether we regard the extent of our line of railway as measured by its mileage, or the traffic already borne upon its rails; and fewer still that will bear such comparison with our undertaking, when its mileage and works shall have been completed, and a traffic brought upon it commensurate with its outlay and the just expectations of our shareholders.

In this country the administration of a railway is in the charge of Boards of Directors, under the general guidance, for the most part, of Chairmen of large experience, and the practical management of subordinate officers, controlled and supervised by Committees of the Board in their several departments. Take, for an instance, the case of the London and North Western Railway, with its Board of thirty Directors, and its sixteen Committees, eleven of them holding their periodical meetings in London, and five assembling regularly for the purposes of business at the principal stations and establishments of the Company in the country. It is no wonder that, with such a force of intelligence and experience brought to bear on the practical working of the affairs of the Company, its business proceeds with the regularity of clockwork, and a precision which is the theme of universal admiration.

Contrast with this state of things the duties which the single-handed Agency of our Company in India has to get through, and the wonder is, not that so much appears to be left undone, but that that which is done is not marked by more of failure and shortcomings than have been charged against our Agent. It is true that with many of the duties appertaining to direction he is not burdened, such as the charge of finance and the management of the share and stock transfer business of the Company; but all that is done in this country by Boards of Directors and their Committees, appertaining to the practical management of the working of the Company, our Agent performs in India single-handed, as far as authority and responsibility are concerned; and, in addition to this, he is charged with the duties of a heavy and onerous correspondence with, and accountability to, his Board of Directors in England and the Government authorities on the spot. To understand what this means, it is necessary only to view the mass of correspondence of which copies are sent to us in this country, with an intimate acquaintance with the details of which, of the expenditure in every department, and of the infinity of matters connected with the discipline and control of a large service, the Agent is expected to be familiar and is held responsible for.

I am firmly persuaded that the labour and responsibilities of these duties are beyond the scope of the mental and physical powers of any one person, if they are to be discharged with credit to himself and satisfaction to his principals and the governing powers; and I am not less convinced that the Company incurs an immense risk of loss and inconvenience from the hazards attendant upon such a state of things. I am of opinion, also, after long consideration of the subject, that relief from these hazards is to be found only in the adoption of the course suggested in my letter to Sir James Melvill, namely, by the substitution of a Joint Agency, or Board of Agency, for the Agency of a single individual.

I shall be glad if the Board will consider the matter from the point of view from which I have regarded it. If the principle of the change be admitted, it must then be considered from the point of expense, and in that respect I do not think we need fear to meet the additional charge which the change would lay on our finances.

If in the practical direction of railway enterprise in this and other countries, where administration is reduced to a system of well understood and consistent practice, advantage is found to arise from the combination of the various qualities of which individuals composing a Board of Directors are severally possessed, the whole constituting an organisation of experience and practical knowledge, it must be admitted that the converse of the proposition, namely, the concentration of the directing and controlling authority, labour, and responsibility in the person of an individual, does not promise an equally satisfactory result; unless you can find not only the individual in whom the many qualifications so required exist, but in our own case, where the risks of life and health are so many and so frequent, a succession of individuals equally qualified, in order to insure, as it were, as far as possible, against the consequence of those risks. For, the more qualified the individual may be, and the more valuable his services, so much the greater must be the loss whenever those services may cease to be rendered.

If the person possessing the many personal qualifications we require could be found, which I more than doubt, he would command in this country twice or three times at least the emolument which employment in our service is permitted to offer him. He must possess perfect acquaintance with the direction of railway enterprise on its largest scale, and in all its details. He must apply that knowledge under circumstances of great difficulty

culty, responsible at once to his Board at home, and to the Government on the spot. He must be conciliatory and courteous in his manners. At the head of a large and peculiarly constituted service, he must be neither too easy and yielding, nor too strict and unbending a disciplinarian. He must be able to form sound judgment also on questions of policy, and how to give effect to that policy. With all these qualities an invalid or valetudinarian would be more than useless; he would always be thinking of himself and what was due to his health, rather than the interests of his employers.

It is no reflection upon Mr. Palmer or Mr. Cecil Stephenson to say that neither of them present to us individually the full standard of administrative capacity and qualification to which I have referred. At the same time, I feel that it would be unjust to both of these gentlemen if I did not state, that after a very careful review of the manner in which their duties have been performed, and of the peculiar circumstances under which the affairs of the Company have been administered by them, I am satisfied generally with the results; and I am of opinion that, if the Agency be remodelled and placed on the footing I shall propose for the consideration of the Board, we may fairly expect to secure, through the combination of their experience and abilities, a representation of the Company well calculated to meet *all* the objects I desire to accomplish.

With regard to Mr. Palmer especially, I would refer the Board to the testimony borne by the Lieutenant Governor of Bengal, and other officers of the Government, to the qualifications he undoubtedly possesses.

Reviewing in my own mind the mass of duties which the effective management of our concerns will comprise when the whole of our 1,500 miles* of railway shall be in operation, and including in those duties the frequent personal inspection proposed in our letter of the 20th of September 1862, to the Secretary of State, but not yet sanctioned in India, and having regard also to those occasional periods of absence on the score of ill health and otherwise, from which service in India is inseparable, I am of opinion that the efficiency of the administration will not be secured if the Board of Agency which I propose shall consist of less than three Members.

I propose that this Board of Agency shall become, under such regulations as may be found necessary, the "Agent," representing the Company in India under its contracts with the Home Government; that the formal communications of the Agency with the Local Government shall be carried on by an officer acting as Clerk or Secretary to the Board; but that in its internal arrangements the Board shall act upon the principle of individual control of departments, and communicate with its own officers, and with the public generally, in such manner as may be most convenient for its purposes.

Sitting as a Board, its Members should have equal authority, questions involving differences of opinion being determined by the majority. At the same time, I would follow the precedent of the Governor's Councils at the Presidencies, and confer upon the Chief Agent by appointment a power of overruling the judgment of his colleagues under certain circumstances, but upon his own responsibility.

In considering the question of the personal emoluments of the Members of the proposed Board of Agency, it will not be out of place to review at the same time the salaries now paid to the heads of the Executive Departments of the Company, with particular reference to the propositions discussed in the correspondence which accompanied the letter of the 9th of June 1864 last, from the Secretary of State, and also for the purpose of ascertaining by comparison the relative amounts of the Directorial Agency and Departmental charges of our Company, and of some of the principal railway companies in this country.

For this purpose the annexed statement has been prepared, showing in detail the several existing charges in those respects of our own Company, and of the London and North Western, and Great Northern Railway Companies. The result is as follows:

East Indian Railway Company, say 1,350 Miles open and in construction.

Direction and Secretary - - - - -	£. 2,944 - - -
Agent and two Deputy Agents - - - - -	5,000 - - -
Departmental Superintendence (4 persons) - - - - -	4,820 - - -
	<u>£. 12,764 - - -</u>

London and North Western Railway Company, 1,230 Miles.

Direction and Secretary - - - - -	£. 5,800 - - -
Manager - - - - -	2,500 - - -
Departmental Superintendence (2 persons) - - - - -	4,200 - - -
	<u>£. 12,500 - - -</u>

Great

* Miles open - - - - -	1,105½
Under construction - - - - -	245
Chord line, say - - - - -	120
TOTAL - - - - -	<u>1,470½</u>

Great Northern Railway Company, 400 Miles.

Direction and Secretary - - - - -	£. 4,500 - -
Manager - - - - -	2,500 - -
Departmental Superintendence (2 persons) - - -	3,300 - -
	£. 10,300 - -

The charge of our Audit Department at Calcutta is excluded from this comparison because of its exceptional character.

In all the particulars named, the above comparison appears to me to be anything but unsatisfactory, and the more particularly when the fact is borne in mind, that by far the larger proportion of our expenditure is incurred in India, where, ordinarily speaking, salaries are paid upon a scale much more than sufficient, when stated in money, to secure the same amount and quality of service in this country.

Taking all these considerations into account, I think the Board should be prepared to meet the applications now before them, in the matter of salaries, in a liberal spirit, with reference not only to the duties and responsibilities of the officers in question, but also to the special circumstances of service in India.

From this point of view, I am strongly of opinion also that advantage may be wisely taken of the present opportunity, to discuss the principle of identifying the personal interests of our officers with the general success of the Company, through the establishment of a fund, raised by way of charge upon the profits, for the benefit of the officers constituting the Agency, the Chief Engineers, and the heads of the Executive Departments, upon conditions to be hereafter determined by the Board. To illustrate my meaning, I propose to charge the net profits, after 5 per cent. on the Guaranteed Capital has been fully earned, with a given proportion, say at such a rate per cent. per annum, as may be found expedient, on the surplus remaining for appropriation under the Contract with the Secretary of State; and in the benefits of the fund thus created, I would allow our principal officers to participate, as an addition to their salaries, thus giving them a direct personal interest in the economical management of our affairs. Care would be taken, of course, to exclude anything in the nature of a vested interest in the fund.

I submit these suggestions for the consideration of the Board, strongly impressed with the belief that in the adoption of them, or of measures similar in principle, lies our best hope of establishing the conduct of our affairs abroad on a permanently satisfactory footing.

R. W. Crawford.

APPENDIX, No. 3.

From *D. I. Noad, Esq.*, Secretary East Indian Railway Company, to the Under Secretary of State for *India*.

(No. 1798.)

East Indian Railway House,
Alderman's Walk, New Broad-street, E. C., London,
20 September 1862.

Sir,

THE Board have had at various times under anxious consideration, in connection with communications received from time to time from the Secretary of State, bearing on the subject, the whole question of the management and control of the Company's expenditure in India, with the view to the establishment of a better system of Government authorisation and audit, which shall fix responsibility, and ensure, as far as may be possible, forethought and economy in the expenditure, and accuracy in recording and bringing it to account.

The Company, being under control, is bound, in terms of the contract, to submit expenditure of every kind for the previous sanction of the Government, and the expenditure so made is afterwards audited by the officers of the Government, before it is admitted to capital, or allowed as working expenses.

A system which leaves the audit invariably many months in arrear, and calls expenditure in question after the lapse of years (as in a case now before the Board in connection with the mutiny of 1857) is inefficacious for the purpose in view, and wholly unfitted to be retained as a ruling feature in the administration of affairs of such magnitude, and of so complicated and peculiar a character as those of a great railway company. In the course of a few months, when the works on the main line of this Company have been completed, and the line itself has been opened for public traffic on its entire length from Calcutta to Delhi, the annual receipts required to pay the guaranteed interest only will exceed 2,000,000 £., collected in small sums over more than 100 stations; and the annual expenditure to not less, probably, than one-half that sum, disbursed, in large and small sums, for payment of wages, and in the purchase of stores. If, then, the practice of this and other countries where the expenditure is carried on under the immediate eye and control of the Directors, requires, even in ordinary cases, that profits shall not be divided, nor the Directors be discharged from their responsibilities, until the accounts have been passed

by

by the auditors, and accepted by the shareholders, much more are these necessary forms required in a case like the present, where powers so large are exercised by delegated authority at so great a distance from the direct control of the Company. Under these circumstances, it appears to the Board to be proper that steps should be taken, with the least possible delay, for establishing, in the first place, a more direct and speedy mode of authorisation of expenditure on the part of the Government of India; in the second place, a constant concurrent audit of the accounts and store expenditure of the Company, which being thorough and effectual, shall satisfy all parties concerned, and discharge the Company in full in respect of its liabilities to the Government under the contract; and, in the third place, frequent inspection of the working of every station on the line, by the agent himself, his deputy, or other person specially deputed for the purpose. To each of these points, separately, the Board will now address itself.

AUTHORISATION OF DISBURSEMENTS.

The theory of the system at present in force is, that the agent is required to submit, for the sanction of the Government, indents for all expenditure which he proposes to incur, and that such expenditure is not incurred until the Government sanction is given; but the Board very much doubt, whether, looking at the delays—the fault probably of the system—which frequently takes place in according sanction, this theory is or can be carried out in practice. Certain it is, that large discretion is accorded to the agent and other officers of the Company, and differences of opinion very frequently arise as to the manner in which such discretion has been exercised.

The Board are aware that the Government auditor, in auditing the accounts, requires evidence of the expenditure having been sanctioned; but they are not informed of the nature of any special rules which may exist under which current payments for ordinary purposes may be made under a general permissive authority to be considered conclusive, neither can they trace or fix the responsibility of their own officer, and of the Government, in the suggestion on the one hand, or rejection on the other, of propositions affecting the Company's interests or its policy.

In order to supply these deficiencies, and at the same time to carry the purposes of the Board fully into effect, it appears to them to be only necessary to require that the agent of the Company, or his deputy, and the controlling officer of the Government, or his deputy, shall hold, as often as may be required, but not less often than once in the week, official meetings for the despatch of business, the proceedings of which shall be recorded, especially as to all acts authorising expenditure and the sanction of the Government, and that when so recorded and signed by the Government officer, such records shall be an acquittance of the Company with the Government and the auditors, so far as authority for making the disbursements in question is concerned.

AUDIT OF ACCOUNTS AND STORES.

The Board are not satisfied of the efficiency of the audit, as at present carried out by the Company's agent in India, of the expenditure either of money or of stores, and under these circumstances are of opinion that a competent auditor should be appointed, with such assistance as may be necessary, for the purpose of maintaining a constant and effective audit, framed on the model of the most approved systems of railway audit in this country. They are of opinion, also, that this audit should comprise not only an authentication of the accounts furnished by the accountant, an abstract of which will be sent to the Board for publication in this country, but also an ascertainment of the exact expenditure of stores during the period under review, and a further authentication, so far as may be possible, of the quantity of stores on balance in the hands of the several storekeepers at the several depôts on the line.

The Board suggest, further, that the audit of their own officer, and of the officer of the Government, should be common and concurrent, so as to release the Directors from their responsibility to the Company, and the Company from its liabilities to the Government, in respect of the accounts periodically submitted to the shareholders in general meeting assembled.

The Board will be prepared to propose a suitable expenditure for the audit office, which they propose should be at once established.

INSPECTION.

Much importance is attached by the Board to the plan of regular inspection—referred to in an earlier part of this letter—and so far from the office of deputy agent at Calcutta being considered superfluous and unnecessary, as has been suggested, they are prepared to attach certain special and responsible duties to the office, by requiring of the agent that he shall satisfy himself, for the information of the Board, by a periodical inspection on the part of his deputy, or by his own personal observation if desirable, of the actual state and condition of every office and station on the line, and of the mode in which the current duties of the officers on the line are carried on. In that case the Board will apply for the sanction of the Government for fixing the salary of the deputy agent on a footing commensurate with his position in the service, and the responsibility of his post.

The Board submit these views for the consideration of the Secretary of State, with a

deep sense of the importance of their propositions, and an earnest hope that they will be adopted by him; and they will be prepared to address full and particular instructions to their agent, under each head, for the carrying of their plans into practical effect, as soon as they shall have received from the Secretary of State an expression of his concurrence in their proposals.

The Under Secretary of State for India,
India Office.

I have, &c.
(signed) D. I. Noad,
Secretary.

FROM J. C. Melvill, Esq., Assistant Under Secretary of State for India, to D. I. Noad, Esq., Secretary, East India Railway Company.

Sir,

India Office, 9 October 1862.

I AM directed by the Secretary of State for India to acknowledge the receipt of your letter, No. 1798, of the 20th ultimo, and to acquaint you in reply, that the important subjects to which it relates, viz., the Government sanction of expenditure, and the audit of accounts, have been carefully considered by him in Council.

Sir Charles Wood agrees with the Directors as to the expediency of the establishment of a system which shall secure an efficient examination of accounts, as well as their prompt settlement; and he thinks it desirable, as suggested by the Directors, that some arrangement should be made by which current expenditure should be passed on behalf of the Government, at meetings between the Government Controlling Officer and the Railway Agent, to be held periodically for that purpose, and for the despatch of other business.

Sir Charles Wood also approves of the appointment of an auditor, who, it is presumed, is to be independent of the Agent, as far as the execution of his duty is concerned, and is to have full power to call for all information he may require; and he will be ready to receive any further proposal on the subject which the Directors may have to make. He likewise thinks that it would be desirable that the Directors' suggestion, that the Government Audit should be "common and concurrent" with that of the Railway Officer, should, if possible, be acted upon.

I am to add, that Sir Charles Wood fully concurs in the importance attached by the Directors to the plan of the regular inspection of all the stations on the line; but he thinks that the local authorities should be consulted as to the best mode of carrying it out. He will accordingly suspend his decision on the proposal of the Directors to commit this duty to the present Deputy Agent, and to grant him an increase of salary in consequence; but he will address the Government on this and other points raised in your letter under reply.

D. I. Noad, Esq.

I am, &c.
(signed) J. C. Melvill.

(No. 1835.)

FROM D. I. Noad, Esq., Secretary, East Indian Railway Company, to the Under Secretary of State for India.

East Indian Railway House,
Alderman's-walk, New Broad-street, E. C., London,
27 November 1862.

Sir,

WITH reference to the Board's letter of the 20th September last, and your reply under date 9th October following, I am now instructed to communicate the views of the Board as to the constitution and functions of the new offices of audit and inspection which they consider it necessary to create in connection with the working of this Company's lines of railway. These views, I am directed to add, have been arrived at after a careful inquiry into and collation of the various systems in force with the leading railway companies of this country, having their management in London.

The principal of the audit office which they have proposed to establish will, except as to the general control which the Board's chief representative must exercise over all the officers in India, be independent of the chief agent and every other officer of the Company; and he will report direct to the Board of Directors in London.

The Board are of opinion, further, that he will require in the first instance—

Four principal assistants, viz. :—

One to superintend the Expenditure and Stores Department.

One the Coaching Department.

One the Goods Department; and a

Traveller Auditor;

with such other assistance as may be necessary for a thorough and complete audit of all transactions coming within the sphere of the duties of the office.

The general duties under the first head,—

Audit Office.

Officers to be appointed.

"EXPENDITURE AND STORES DEPARTMENT,"

will consist in checking, before being passed for payment, all invoices of goods purchased with the contracts and particulars of Government sanction under which they are supplied, wages, pay bills, compensation and other claims, and, indeed, every matter which is a charge either against revenue or capital; in checking vouchers for payments which have been duly certified; in receiving and checking fortnightly reports from the principal storekeeper, showing the balance of stores at the date of the first and every subsequent Report, quantity purchased during the fortnight, and authority for the same, and particulars of their disposal.

Expenditure and Stores Department.

In receiving and checking monthly a return from the principal Storekeeper of the monthly expenditure, by which the comparative increase or decrease may be ascertained.

In personally attending periodically at each store depôt to see the stores weighed or counted, and in certifying to their being correct.

In seeing that the returns are in agreement with the Company's books in charge of the Accountant.

As there must be a store depôt for each of the following departments, viz. :—

Engineering,
Locomotive,
Carriage,

Waggon, and
Station Stores,

Store Depôts for the several Departments.

the officers in charge of those departments will be subject to the control of the audit office as to the mode of keeping and rendering accounts, and making returns.

The general duties under the second head—

Coaching Department.

"COACHING DEPARTMENT,"

will consist in receiving and checking

Daily returns of the issue of tickets, with the cash received, and of the tickets collected at each station.

Returns of Passengers allowed to proceed without tickets.

Returns of excess fares.

Returns of free passes issued by each department, distinguishing between those for the Company's officers and third parties.

Daily summary of coaching traffic.

Monthly abstract of station traffic in

Passengers,
Parcels,
Horses,

Carriages, and
Dogs.

In stations' monthly accounts current, comparing the same with daily returns previously received.

In reporting any discrepancies that may be discovered.

In preparing returns of deficiencies in the collection of tickets, and in obtaining explanations thereof.

The general duties under the third head—

Goods Department.

"GOODS DEPARTMENT,"

will consist in receiving and checking

Station to station way bills.

Stations' monthly abstracts of goods and live stock forwarded and received.

Stations' monthly summary of traffic, cash receipts, and general accounts current for the month.

Ledgers and porters' outstandings.

The general duties of the

Travelling Auditor.

"TRAVELLING AUDITOR"

will be—

To visit each station under his charge at least once in every three months.

To examine the accounts.

To ascertain the cash balances.

To see the actual cash in hand.

To compare it with the book balances.

To make notes upon such matters as may attract attention, for communication to the principal of his office.

THE CHIEF OF THE AUDIT DEPARTMENT

Duties of principal officer of the Audit Department.

will have to systematise and control the proceedings of his assistants, and will be held responsible for the proper execution of their several duties.

He will make a thorough audit of all accounts and books of account in the agent's office.

He will act in correspondence with the Government auditor in the examination of all matters over which that officer may have control, and arrange with him the proper distribution of all charges between capital and revenue.

He will be accountable for the half-yearly statements of revenue and all other matters of account.

And finally, he will report direct to the Board upon all matters within the purview of his duties, and render to the Agent, for transmission to this country, the audited accounts of the receipts and disbursements of the Company in India in each successive half-yearly period.

Forms and returns to be supplied for use of Audit Office.

The foregoing is a sketch of the matters and things which the Board propose should come under the direction of the audit office. The Board will in due course furnish a series of forms and returns (subject, of course, to such modifications as local circumstances may require), to be used in carrying out the proposed system of audit, and they will hereafter deal with the mode in which the results of the audit are to be brought under their immediate cognizance; and it now only remains for them to discuss and determine with the Secretary of State the annual expenditure which should be sanctioned for the Department.

* * * * *

Appointment of Inspector.

The other office which the Board have proposed to create is that of

INSPECTOR.

Duties to be performed by Inspector.

The duties of the Inspector will be multifarious in kind, and spread over upwards of 120 stations on 1,400 miles of railway, but one of the leading features will be continual and unexpected visits to all the stations; and independently of the general supervision which will be the object of such visits, he will have to see—

That proper consignment notes are obtained for goods forwarded, which should be signed by or for the senders, and which as far as possible should be on printed forms.

That such notes are kept in proper order for reference.

That all goods are weighed or fairly averaged, the weight being marked in the notes.

That the number of packages and their weights are duly checked.

That the loaders record the number of articles put in each truck for the invoice clerk to check.

That way bills are legibly written, and contain proper particulars of address.

That way bills regularly go forward with the trucks, and that there is proper proof of it.

That the arrival of way bills is timed, and that they are properly numbered.

That the way bills are checked with the goods as they come in.

That proper notice is taken of all discrepancies.

That consignees are duly advised of the arrival of goods.

That such advices are duly registered.

That goods are not delivered without the carriage being paid.

That proper receipts are held for goods delivered.

That all correspondence is promptly and regularly carried on, and that copies of all letters are kept.

That the books and papers not in use are kept in good order.

That due care is taken of all station stores.

That each man's stock of stationery is in good order.

That all carting agents' (if any) weights are regularly entered up.

That the times of arrival and departure of trains are systematically recorded.

It is scarcely possible, within the limits of a single letter, to specify particularly every duty which the inspector should see properly carried out. The Board may have probably said enough to satisfy the Secretary of State of the importance of the officer in question. They regard it as one upon which there rests the determination whether the business of the Company is carried on profitably or not; for unless, in a work of such magnitude as this Company has under its charge, all the details are carried out with perfect regularity, confusion of the worst description must be the result.

The inspector will be in the office of the chief agent, and subordinate to his control.

* * * * *

I have, &c.

The Under Secretary of State for India,
India Office.

(signed) D. I. Noad, Secretary.

(No. 1950.)

From *D. I. Noad, Esq.*, Secretary East Indian Railway Company, to the Under Secretary of State for India in Council.

East Indian Railway House, Alderman's Walk,
London, 31 July 1863.

Sir,

I AM instructed by the Board of Directors of the East Indian Railway Company to acknowledge the receipt of your letter of the 16th instant, transmitting, for the information of the Board, copy of a communication received from the Government of India, in reply to the Despatch addressed to it by Sir Charles Wood, respecting the management and control of the Company's expenditure in India, and the audit of accounts, and stating that Sir Charles Wood will be happy to receive any observation which the Board may wish to make upon that communication.

In reply, I am directed to state that the Board propose to deal, in the first instance, with that part of the Government Despatch which most affects the proposals the Board had the honour to submit for the consideration of the Secretary of State, under dates of 20th September and 27th November last, and will then express their opinion upon some of the views which the Government appears to entertain in relation to its own future proceedings.

First, then, as to Audit:

In paragraph 6 of the Government Despatch, the Government of India states, "that it has no hesitation in accepting the general proposals of the Railway Board as regards the system of Audit to be henceforth adopted on account of the Company, and that it concurs fully in the opinion that a concurrent Audit on the part of the Government will be the best, if not the only way, of exercising its essential powers in this respect with satisfaction to itself and the Railway Company."

In paragraph 20, reverting to the proposals of the Railway Board as to the system of Audit, the Government observes, "that they seem generally very proper, that an independent Auditor is an officer very much wanted, and that the principal subordinates named by the Board will no doubt be required to superintend the details of the business in their several branches of the work."

In paragraph 22, it is stated, "that it is quite obvious that the Railway Auditor, with the concurrence of the Government Officers, should have complete power to settle the forms of all accounts of all parts of the business, and that the Agent should be bound to enforce any orders on this subject given by the Auditors, and to take effectual measures for preventing any irregularity in these matters."

In paragraph 23, it is stated, "that the Government Audit, to be efficacious, must be concurrent with the Railway Audit, and that the Railway Board are without doubt right when they say that all the accounts should be finally cleared up half-year by half-year."

In paragraph 25, it is stated, "that the salaries proposed for the Audit Department appear to the Government to be reasonable; the probable cost of the arrangements being calculated at about 5,000 *l.* per annum."

From the foregoing extracts it will be seen that the Government of India and this Board are in complete accord as to the principles which should guide the Audit Department they propose to establish, and as to the mode in which it should be administered. The Board will, therefore, at once put all the necessary machinery in motion for carrying it out, and will give such instructions as will accommodate the question raised in paragraph 24, as to direct communication between the Government and the Railway Company's Auditor, on matters of account.

Now, with regard to the Authorisation of Expenditure:

The Board have proposed, with a view to prevent delay, and to bring the Company into complete harmony with the Government as to expenditure, that the Agent and the Consulting Engineer shall have official meetings, not less often than once a week, for the despatch of business, and that at such meetings shall be recorded especially the authorising of expenditure, and that such authority shall be final.

In paragraph 27 of the Government Despatch, the Government says, "that it is not clearly stated whether it is intended that all sanctions shall be given in this way; that probably all that is meant is, that when convenient, this plan shall be adopted in preference to correspondence."

In paragraph 28, it is stated, "that there can be no doubt that personal meetings on such business are very beneficial, and should be encouraged or enjoined on the Consulting Engineer, but that care should be taken that the Government Officer is not forced into precipitate action, and that he should never be pressed to dispose of any matter summarily, if for any reason he wishes to take time to consider it; and it is added, that it would probably be right to prohibit any summary sanction, unless in actual emergency, and to rule that all proposals to incur expenditure, calling for Government sanction, should be sent to the Consulting Engineer, at least two or three days before the meeting at which they are to be considered."

From paragraph 30, the Government appears to think, "that all the departmental heads must be present at the meetings proposed to be established, which are not a novelty, but which have not until now been formally recognised."

In paragraph 31, it is stated, "that the Government of India thinks it might be conducive to despatch if the Agent of the Railway Company and the Consulting Engineer

were to meet periodically, with the view of transacting a portion of their business orally, instead of by letter; that all decisions come to at such meetings should be recorded in writing; that it would probably be convenient that the Agent should, a few days before the meeting, transmit to the Consulting Engineer a précis of the proposals which he intends to bring forward for consideration or concurrence; and that it should rest with the Agent to determine what matters should be submitted for decision at such meetings, and to what extent the Railway Departmental Officers should be called on to assist them."

Upon these paragraphs I am directed to observe that the Board did intend that, as a general rule, *all* sanctions should be given to expenditure at the periodical official meetings between the Consulting Engineer and the Agent which they proposed should be established, and that such sanction should be final. Upon any question where any doubt might exist in his mind, the Government Officer would probably reserve himself, just precisely as the *ex-officio* Director would here; but the ruling principle unquestionably should be that he should be empowered to act decisively.

The Board do not wish at this distance to prescribe rules of proceeding, but they are apprehensive that the suggestion to submit to the Consulting Engineer a précis of the business of the meeting two or three days before such meeting, if it would preclude the consideration of questions not mentioned in the précis, might be found to produce inconvenience and delay; and they do not doubt that the Government will lose no time in putting a stop to the practice if such should be the consequence.

The objection urged in paragraph 30, as to the necessity of the Departmental Officers being present at the official meetings referred to, if it be intended as an objection, seems to be met by the last part of paragraph 31. Generally speaking, the Agent himself would be acquainted with the views of the Departmental Officers, and how far any particular question might be affected by modifications suggested by the Government Officer; and if not, he would call in such assistance as he might consider necessary.

The last question the Board have to deal with, so far as these propositions are concerned, is the establishment of the office of Inspector.

In paragraph 6 of the Government Despatch it is stated, "that the Government is not satisfied that the Special Inspecting Officer proposed by the Board is at present required, or that the duties which it is contemplated to put on him might not be undertaken by the existing staff."

In paragraph 32, in referring to the Board's proposition, it states, "that the Government is not prepared to negative the suggestion in any absolute way, but that, on the whole, they are disposed to concur with what seems to be the opinion of the Consulting Engineer, that the appointment of a special officer as Inspector, at present at least, is not called for. That the heads of the various departments should be responsible for the proceedings of their subordinates, and that it seems doubtful whether it would be politic or necessary to introduce any special system of check on the Departmental Officers, who are all highly paid officials, other than that which should be exercised by the Agent himself, or his deputy.

The Board being of opinion that the appointment of Inspector is one of the most important offices which they propose to create in reference to the working of the Line, are gratified to find that whilst the Government concurs in what seems to be the opinion of the Government Officer, that the appointment is not immediately necessary, it is not prepared to negative it in any absolute way; and the Board are of opinion that a reference to the duties required of the Inspector, as stated in their letter of the 27th of November last, will, without further argument, prove the necessity of the appointment. The Board do not hesitate to say, that if the Departmental Heads referred to in paragraph 32, mean the Traffic Managers or Locomotive Superintendents, or their deputies, it would be quite out of their power, consistently with the discharge of their own proper duties, to do what is required of the Inspector; and if in the term "Heads of Departments" are included officers below the grades above referred to, it is quite clear from experience in this country that the most constant and vigilant check upon them is required.

The duties performed by the Inspector would, without interfering with the departmental heads, be of the greatest assistance to them. As to the time for making the appointment, the Board are still of opinion that it should be made at once.

Everything, in their view, will depend upon the manner in which the system to be observed in working such an enormous line as they will shortly have to manage, is initiated. In their judgment, no expense should be spared calculated to ensure regularity in the beginning, for should anything like confusion creep in, in the details of the work at the outset, consequences will ensue far more prejudicial to the success of the undertaking than may at first sight appear, and the remedy for which, if found, could only be found at a cost much larger than that involved in seeing that the business is started well, and efficiently continued.

The Board, having now referred to the questions in which they are most directly interested, avail themselves of the invitation of the Secretary of State, to submit some observations upon the general views which the Government appears to have of its own interests in the matters under consideration.

Upon the manner in which the Government of India proposes to carry out its part of the system of audit, the Board might very properly refrain from offering any remarks: but as it appears to be the wish of the Secretary of State that they should express their opinion, they would direct his attention to two points which naturally occur to them as of paramount importance.

Observing that the Government of India contemplates obtaining the services of an Auditor from this country, they would remark,—

1st. That if such officer be sent out, he should be qualified, by ascertained practical experience, to deal with railway finance on a large scale; and,

2nd. That provision should be made for ensuring the regular transmission, within definite and stated periods, of the audited accounts, so as to enable the Proprietors, at their General Meetings, to deal with and act upon them in the manner referred to in the Board's letter of 20th September last; but they trust that no arrangement will be made which may possibly interfere with the responsibility of the Railway Auditor.

There is one other part of the Government Despatch which the Board think it may be desirable that they should refer to:

Paragraphs 17, 18, 19, and 33, seem to contemplate a more active interference with the actual working of the Line by the Government officers, than in their opinion would be consistent with the proper conduct of the business.

The Board may possibly mistake the meaning of the Government intentions in this respect, but they are satisfied that if the Consulting Engineers of the Government be permitted or authorised to interfere with the execution of duties connected with the working and management of the Line, not only will endless confusion arise, but it will be almost impossible to fix responsibility anywhere.

The Board obtain the services of the best professional Railway Officers they can induce to go to India, and they think that the responsibility of working the Line should rest upon them. They must therefore trust they are not construing, correctly, the views of the Government as expressed in the paragraphs above referred to.

I am instructed to enclose herewith, for the approval of the Secretary of State, draft letter, No. 812, which they propose to address to Mr. Palmer on these subjects.

The Under Secretary of State for India,
India Office.

I have, &c.
(signed) *D. I. Noad.*
Secretary.

(2015.)

From *D. I. Noad*, Esq., Secretary East Indian Railway Company, to the Under Secretary of State for India.

East Indian Railway House,
Alderman's-walk, New Broad-street, London,
6th December, 1863.

Sir,

I AM directed to forward, for the approval of the Secretary of State, the accompanying drafts of letters proposed to be addressed to Mr. Palmer, the Agent, and Mr. Roberts, the Chief Auditor of this Company, relative to the Department of Audit recently established at Calcutta.

It was the intention of the Board to apply, as far as might be practicable, to the peculiar circumstance of a railway company under control, the principles, and in many respects the practice, of the system of Government Audit in this country, as set forth in the Appendix, No. 1, to the Report of the Select Committee on Public Moneys of 1857, and more particularly in the paragraph headed "The audit traces the whole of the pecuniary transactions," printed on page 33 of that Report.

The letter proposed to be addressed to the Agent will explain very fully the view taken by the Board of the relative positions of the Agent and Auditor.

They desire only to add, that whilst they must object to any interference on the part of the Auditor with the executive functions and responsibilities of the Agent, they will readily concur in the adoption of any measures, similar to those of which an account is given in the paragraph above quoted from the Committee's Report, as in force in this country, so as to admit of the Audit "being concurrent with the daily progress of the transactions, which it follows in all their details day by day throughout the year," it (the concurrent Audit) being, to use the words of the Report itself, page 6, "not intended to limit the discretion of the responsible Departments of the Executive Government in which it was established, but to secure a revision of their accounts by an independent authority, invested with sufficient power of investigation to detect any misapplication of the votes, or any deviation from the appropriation sanctioned by Parliament."

The cases are perfectly parallel, if the word "authorisation" be substituted for "votes," and "Government" for "Parliament."

The Board presume it not to be the intention of the Government of India to maintain a separate and independent audit of every item of account, and would respectfully suggest that means may be adopted, with facility for testing, by the concurrent action of an officer on the part of the Government, or otherwise, the value of the audit conducted by the officer of the Company, so as to admit of the half-yearly accounts being finally closed, and forwarded to this country, in sufficient time for the purpose of the shareholders' meetings.

I have &c.
(signed) *D. I. Noad,*
Secretary.

The Under Secretary of State for India,
India Office.

(No. 843.)

From *D. I. Noad*, Esq., Secretary East Indian Railway Company, to *Edward Palmer*, Esq.,
Agent East Indian Railway, Calcutta.

East Indian Railway House,
Alderman's Walk, New Broad-street, London,
17 December 1863.

Sir,

THE Board have had under their consideration your letter, No. 143, dated 9th September, with its enclosures, informing them, with reference to my letter of 17th July, of the steps you had taken for giving effect to their instructions relative to the new Department of Audit.

I am desired to state in reply, that the Board approve of your proceedings, especially the closing of all subordinate offices of cash payment and account, and their concentration at the head office at Calcutta.

In this country, where the functions of the governing body of a Railway Company are exercised upon the scene of its operations, the administration of its affairs is exercised by a Board of Directors, directly responsible to the shareholders for their acts, and whose proceedings, so far as they involve the receipt and payment of money, and the proper apportionment of expenditure between capital and working charges, undergo the subsequent scrutiny and check of a body of Auditors, chosen by the shareholders for that duty.

A wide distinction is thus drawn and maintained between the executive and the audit. Each has its own responsibilities, and its own accountability to the Shareholders.

As in the case of an Indian Railway Company, the executive functions of the Board are necessarily delegated to an agent on the spot, as to all matters of local administration; so the Auditor, as specially representing the interests of the Shareholders, must possess precisely the same powers, and be charged with the same duties as are exercised by Auditors in this country. The Board have entrusted the Auditor in India with further duties for the assistance of the Agent and the expedition of business; but in doing so, they desire to repeat, that it is not their intention to relieve the Agent of any portion of this executive responsibility.

It is a part of your duty, therefore, as the Agent of the Company, to judge for yourself of the policy of your proceedings under your general instructions from the Board, and also whether before you commit yourself to expenditure, those proceedings, as far as they involve expenditure, have received the sanction and authorisation of the Government.

You will take care that all books and documents relating to expenditure are open to the inspection of the Auditor, and that a certified copy of such authorisation, and of any alteration or modification of the same, is duly transmitted to him for his information and guidance. But you will fully understand that with you alone rests the responsibility of sanctioning on the part of the Company any proceeding involving expenditure; for the Board entirely concur in the opinion expressed by the Secretary of State in 1859, as quoted in the Despatch of the 29th of August last, from the Government of India to the Government of Bengal, that "the complete responsibility of the Agent must be distinctly insisted upon and enforced."

I am further directed to enclose a letter to the Auditor, of which you will be so good as to take a copy for your guidance and for record in your office, dealing in a similar manner with all future communications that may be addressed to him by the Board, or delivered to you by him for transmission to the Board.

In forwarding these instructions for determining the relative duties and responsibilities of the Agent and the Auditor, I am directed to add that the Board do not desire in any way to interfere with that freedom of communication between yourself and Mr. Roberts, which cannot fail to facilitate the course of the business of your respective Departments.

I am, &c.
(signed) *D. I. Noad*, Secretary.

(No. 1.)

From *D. I. Noad*, Esq., Secretary East Indian Railway Company, to *R. Roberts*, Esq.,
Chief Auditor East Indian Railway Company, Calcutta.

East Indian Railway House,
Alderman's-walk, New Broad-street, London,
17 December 1863.

Sir,

THE Board have received from Mr. Palmer copy of his letter of 21st August to your address, of his circular letter of the same date to the several heads of Departments of the Company, and of the minutes of a meeting held on the 31st idem at his office, with reference to the new Department of Audit.

I am directed to hand you, for your information, copy of the Board's letter of this date to Mr. Palmer, in which they have acquainted him with their views on the subject generally, and especially with regard to your relative functions and responsibilities.

It will be your duty, as representing the interests of the shareholders, with special reference to their contract obligations with the Government of India,—

1st. To

1st. To see that authorisation has been given by the Government for every payment made, or act, within your cognisance, done by the Agent or other officer of the Company, involving the outlay of money; and in the event of any account or claim being presented for examination, for which in your judgment authorisation has not been given, immediately to apprise the Agent thereof.

2nd. To see that all receipts and payments of money, or transactions of any kind involving charge, are properly brought to account in the books of the Company, and supported by all necessary vouchers and explanatory documents.

3rd. To exercise a similar purview over the receipt and disbursements of stores of every kind, authenticating at stated periods the quantities of stores represented by the several storekeepers and heads of Departments to be on hand.

4th. To verify in like manner at stated periods the transfers and register-books of shares and stock, as well as all cash balances and securities.

5th. To transmit to the Board the half-yearly Revenue Account, accompanied by such remarks, in detail, as may be necessary for their thorough elucidation, and also an abstract of the half-yearly stock-taking balances.

All papers, books, and documents necessary to enable you to perform your duties, will be open to your inspection, or transmitted to your office, as you may arrange with the Agent.

The half-yearly meetings of the Company are for the present held under their Act, in the months of April and October, but application will be made for power to enlarge the time to a period which will easily admit of these accounts being received with regularity, sufficiently early for the purposes of the meeting.

You will address the Board direct upon all matters requiring comment or reference within the purview of your office, and you will be pleased to forward your communications through the Agent for his information.

The Board rely upon your full appreciation of the important purposes for which the Audit Department has been established, and are assured that the Company will have the full benefit of your experience and zeal for its interest, in carrying out the powers entrusted to you.

I am, &c.
(signed) *D. I. Noad*,
Secretary.

EAST INDIAN RAILWAY COMPANY.

COPY of a LETTER, dated 21st March instant,
from the CHAIRMAN of the EAST INDIAN RAIL-
WAY COMPANY to the SECRETARY of STATE
for INDIA, with the PAPERS accompanying it.

(*Mr. Goleuey.*)

Ordered, by The House of Commons, to be Printed,
29 March 1867.

RETURN to an Address of the Honourable The House of Commons,
dated 28 March 1867;—for,

“ COPY of further PAPERS or CORRESPONDENCE between the Government of *India* and the Secretary of State, on the proposed COMMUNICATION between *Rangoon* and *Western China*; with the DISSENTS, if any, recorded by Members of the Council of *India*, and that of Sir *Charles Trevelyan* (in continuation of Parliamentary Paper, No. 373, of Session 1865).”

India Office, }
11 April 1867. }

J. W. KAYE,
Secretary Political Department.

(*Mr. Kinnaird.*)

Ordered, by The House of Commons, to be Printed,
12 April 1867.

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COPY of further PAPERS or CORRESPONDENCE between the Government of India and the Secretary of State, on the proposed COMMUNICATION between Rangoon and Western China; with the DISSENTS, if any, recorded by Members of the Council of India, and that of Sir Charles Trevelyan (in continuation of Parliamentary Paper, No. 373, of Session 1865).

(No. 51.—Foreign Department.—Political.)

The Governor General of India in Council to the Secretary of State for India.

Simla, 13 August 1864.

WE forward, for the information of Her Majesty's Government, copies of correspondence from the Chief Commissioner for British Burmah, in which that officer reports that his Majesty the King of Burmah has made a grant in favour of Messrs. Halliday, Fox & Co., and Dr. Marfels, a German physician, residing at Mandalay, for the construction of a railway and telegraph line from the city of Mandalay to the frontier of China. The translation of the "Royal Orders," as the grant is designated, will make you acquainted with the conditions of the agreement or guaranteed rules.

2. The treaty of the 10th November 1862 aimed, amongst its other provisions, at facilitating commercial intercourse with the southern provinces of China. We cannot therefore be supposed at all indifferent to any measures calculated to open up this ancient channel of trade. No doubt such a line of railway, if practicable and executed, would aid materially in effecting the object of bringing into connection, by the Irrawaddy, the southern and inland provinces of China with the port of Rangoon.

3. Although fully sensible of the advantages which the project, if successfully executed, promises to British commercial interests, we at the same time feel it incumbent upon us to call your attention to circumstances which demand the serious consideration of Her Majesty's Government, and which cannot safely be overlooked when it is a question how far the British Government should countenance an undertaking which may early involve it in grave embarrassment.

4. Manifestly, in the event of the enterprise meeting with the support of British capital, there must be an influx of European British subjects into Burmah within the next three years. Even if the project went no further than the preliminary surveys, this operation involves the employment of a certain number of qualified men; and should the undertaking advance beyond this point, there would necessarily be the usual staff of civil engineers and railway mechanics indispensable for the construction of the works. It is needless to observe that such functionaries would, as a rule, be ignorant of the language and customs of the people among whom they would be suddenly thrown, and little disposed by previous training to conform to the ways and system of an arbitrary and jealous native Government such as the Burmese. The chances of serious misunderstanding and of frequent collision amount, under such circumstances, to a certainty; and as references to the British authorities would ensue, and could not very well be ignored, the existing amicable relations with the Burman Court would run the risk of being speedily disturbed by communications of an embarrassing and irritating character.

5. We are aware that it may be alleged that Article 9 of the agreement, where it lays down that "the followers or servants of shareholders that may be employed in the royal kingdom shall, during their residence, conform to the

customs of the country," is in harmony with the provisions of the treaty of 10th November 1862, which uses the same phraseology in Article 7; and that, consequently, the railway compact places European British subjects on no other footing than that which they hold under the treaty, to the terms of which any British subject may appeal if injured by the Burman Government, and may look to his own Government for redress should treaty obligations prove to have been infringed. The force of such an argument cannot be denied, and the Government of India would be compelled to take due notice of any well-authenticated instances in which European British subjects had wrongfully suffered at the hands of Burman authorities; but it is palpable that the frequency of such references would be much greater and the complications arising more serious when, instead of a few British traders at Mandalay, usually pretty well acquainted with the people and the country, there would be a much larger, more mixed, and more scattered community of European railway officials and subordinates spread over Burman territory, and mostly wholly ignorant of its laws and customs.

6. That our apprehensions on the subject are not groundless, is proved by the fact, that at the present time, in consequence of the maltreatment of a British subject at the capital, the Chief Commissioner is in communication with the Burman Court in order that the stipulation of conformity to the customs of the country may not receive the construction which the Burmese authorities are inclined to put upon it, namely, that of warranting the infliction of corporal punishment for the neglect, when Burmese authorities pass, of a form of respect foreign to the habits and manners of Europeans.

7. It is true that, according to the provisions of the 9th article of the railway compact, disputes, whether of a civil or criminal nature, are to be decided by the Superintendent, a Burmese official; and, in case of dissatisfaction, the appeal is to lie to the royal courts, or to any one of the ministers, on payment of fees by both parties signing a guarantee to abide by the decision—provisions which would seem intended carefully to exclude the interference of the British Government; but we are convinced that if British capital should be embarked on this projected railway and telegraph line, and British-born subjects engaged in its execution, patient submission to a Burmese superintendent and to Burman Courts cannot be expected long to continue, and that the interference of the Government of India will be invoked on occasions in which neither the merits of the case, the pressure of public opinion, nor the sentiments of Her Majesty's Government would support us in throwing back aggrieved parties on the precise words and literal meaning of the original agreement.

8. If our anticipations be correct, the permanence of our pacific relations with the Burman Court cannot fail to be endangered by the execution of this railway compact, and we do not feel at liberty to report the existence of the agreement entered into without our cognizance or sanction, without candidly laying before Her Majesty's Government the opinion we entertain, and preparing it for consequences which are likely to follow very early after the entrance of railway functionaries into the Burman territory.

9. We need not add that, if Her Majesty's Government resolve on permitting the railway agreement to take its course, the Chief Commissioner will receive our strictest injunctions to omit nothing on his part that can secure the undisturbed continuance of our present amicable relations with the Burman Court, keeping aloof as far as practicable from the intricate conflicts which are pretty sure to arise between the railway company and the Burmese, and holding both sides bound by the compact into which they have entered. We would, however, warn Her Majesty's Government that we are not sanguine that any amount of tact or care would long succeed in staving off discord between the railway company and the Burman authorities, and we would suggest that Her Majesty's Government should ascertain clearly from the company, if formed, the light in which Article 9 of the compact is viewed, and should also favour the Government of India with specific instructions on the degree to which, if at all, Article 9 should be regarded as excluding British-born subjects from that protection which is in the East extended to our countrymen in a way and to an extent

extent exceptional from the ordinary rules of European international law and custom, and which in semi-barbarous countries, such as Burmah, is justified by the nonconformity of semi-barbarous institutions to the generally accepted conditions of commerce and intercourse with more civilized states.

10. You will observe that, deeming it ungracious to object, we have authorised the Chief Commissioner to allow the two Whitworth guns, and the 600 rounds of ammunition intended by the railway company as a present to the King of Burmah, to pass; but we have at the same time intimated to the Chief Commissioner, and to Mr. Barlow, the agent of the company, that this is only done as a great favour, and one that cannot be repeated. The Chief Commissioner is called upon to report how far Act 31 of 1860 is in full vigour in British Burmah, or has been relaxed in practice under the Notification No. 1879 of the 1st October 1860, and to intimate that there is no intention on the part of the Government of India to relax with respect to British Burmah the provisions of the Act in question.

11. You will remark that the Chief Commissioner, in reply to an application from Messrs. Halliday, Fox & Co., for permission to take up land for a railway and telegraph line from Rangoon to the Burman frontier, has directed them to comply with the preliminary requirements of Act 22 of 1863. When this is done, and we are in possession of the views of the Chief Commissioner on that part of the scheme which contemplates connecting the port of Rangoon with the Burman frontier and Mandalay, it will be time enough to address you; but in the meanwhile we hope to be favoured with the views of Her Majesty's Government on the important question referred to in this despatch for its consideration.

We have, &c.

(signed) *J. Lawrence.*
H. Rose.
R. Napier.
H. S. Maine.
C. E. Trevelyan.
W. Grey.
J. N. Taylor.

(No. 247.)

From Lieutenant Colonel *A. P. Phayre*, C.B., Chief Commissioner of British Burmah, and Agent to Governor General, to Colonel *H. M. Durand*, C.B., Secretary to Government of India, Foreign Department, Governor General's Head Quarters, *via* Calcutta (No. 127-372, dated Rangoon, the 25th June 1864).

I HAVE the honour to report, for the information of his Excellency the Viceroy and Governor General in Council, that a grant has lately been made by his Majesty the King of Burmah for the construction of a railway and telegraph from the city of Mandalay to the frontier of China; the concession is made to Messrs. Halliday, Fox & Co., of London, and Dr. Marfels, a German physician, now residing at Mandalay.

2. I beg to enclose a translation of the document which constitutes the royal grant. It is understood, I believe, that the line of railroad will be the present track of the Chinese caravans down to, or near to, Bhamo, which is about 200 miles north from Mandalay.

3. The agent of Messrs. Halliday, Fox & Co. has also applied for permission to take up land for a railway and telegraph from Rangoon to the Burmese frontier, with the view of eventually joining them with similar works through the Burmese territory to Mandalay. I have requested him to comply with the preliminary requirements of Act XXII. of 1863, and shall have the honour of addressing you hereafter when he has done so.

4. I may add that the project of this railway, whether eventually successful or not, is certainly due to the treaty of the 10th November 1862, between his Excellency the Viceroy and his Majesty the King of Burmah.

(No. 248.)

ROYAL ORDER.

If railways are constructed in the royal kingdom to reach the eastern frontier towards the Chinese Empire, it would be beneficial, and will facilitate the extension of commerce, to the western frontier of the Indian empire, and the conveyance of merchandise from the western countries to the royal kingdom, and the eastern frontier of the Chinese empire.

With the view of promoting the advancement of commerce, and the benefits arising therefrom to the merchants in the royal kingdom, and to the merchants from various other countries, it is proposed that a railway be constructed from a suitable position in the district or landing-places of the royal kingdom to reach the eastern frontier towards the empire of China. The Woongyee, lord of the township of Pakan, Thado Mengyee Maha Menghla-tsee-thoo has been nominated to issue orders to the contracting parties, Dr. Marfels and Halliday, Fox & Co.

Proclaimed in the Burmese year 1236, 9th day of moon Nayou, 13th May 1864, by the Nab Kan (Royal Ear) "Pyogyee Mhoo Menghla Mengyau."

GUARANTEED RULES for the Construction of a Railroad and Telegraph Line.

Article 1. The construction of a railroad and telegraph line being of the utmost importance, a person should be selected to superintend the various business connected with them, and one in due time should be appointed to act in concert in carrying out the works, and shall receive a suitable salary.

Article 2. Seven hundred cubits (1,050 feet) being the breadth for the railroad and telegraph line; but in places where there are no towns, villages or houses, if an extension of the breadth is necessary for the purpose of erecting depôts for coal and machinery, and for accumulating large quantities of earth for levelling the road, 1,000 or 2,000 cubits in breadth should be granted.* If the e be royal land within such grant, permission shall be given for the occupation of the same; but if there be land belonging to other people, the owner should not refuse to sell it, and the superintendent shall conjointly after consultation and careful investigation, fix an equitable valuation, and purchase the said land; likewise, if there be any other portions of paddy or garden lands, the people occupying or cultivating such lands by royal permission should be entitled to hold them; no right, therefore, can be claimed for the levy of revenue from such individuals. The superintendent shall therefore issue orders in accordance with the customary regulations.

Article 3. In the event of the discovery of gold and silver mines within the boundary of the railway or telegraph line granted by His Majesty, or on land belonging to other individuals, such gold or silver mine, &c., being the rightful property of the sovereign, shall be conceded to his Majesty.

Article 4. If there be any sacred buildings, pagodas, monasteries, tanks, &c., on the course of the railway and telegraph line, they should not be considered as having been included in His Majesty's grant, but the order of the superintendent shall be attended to regarding them.

Article 5. No duty shall be levied on teakwood planks, or other descriptions of wood and coal required for the use of the railroad or telegraph line; such materials shall be purchased at the market value of the different towns, villages, and landing-places, or labourers hired to cut and procure them.

Article 6. If materials are required for the above-mentioned purpose, such as iron or coal, application shall be made for two or three suitable and selected places within the royal kingdom where they are procurable, and permission obtained by petition to work the mines; royal duty at the rate of one per cent. shall be levied on the quantity required for the use of the railroad and telegraph line; but the customary duties shall be paid on all quantities sold or used for other purposes.

Article 7. If labourers are required for the construction of the railroad and telegraph line, and can be obtained within the royal kingdom, they shall be employed, and wages duly paid to them.

Article 8. If any of the shareholders in the railway and telegraph line desire to reside in the royal kingdom, they shall be permitted to do so, and shall pay the customary taxes of the country in the same manner as British subjects.

Article 9. The followers or servants of shareholders that may be employed in the royal kingdom, shall, during their residence, conform to the customs of the country. In the event of disputes on account of wages due to them or other causes, civil or criminal, the decision

of

* 1,500 or 3,000 feet.

of the superintendent shall be obeyed, but if considered unsatisfactory, an appeal is open to the royal (inner and outer) courts, or to any one of the ministers, on payment of fees by both parties signing a guarantee to abide by the decision; the case shall then be finally decided.

Article 10. Machinery or any other articles intended solely for the use of the railway or telegraph line, shall, on application, be allowed to be registered free of duty.

Article 11. The works for the construction of the railroad and telegraph line shall commence within three years of the signing of this contract; but if within the three years the works have not commenced, all claim shall be given up to commence them after that period.

Article 12. With reference to there being several directions for the construction of the railroad, if the Bhamo line is set aside and any other line adopted for reaching the Chinese frontier, such railway shall commence from the royal city.

Article 13. A detailed account shall be furnished to the superintendent of all the sums disbursed in the construction of the railroad and telegraph line; and if his Majesty desires to purchase them, they shall be made over to his Majesty after the expiration of fifty years from the signing of this contract, on payment by his Majesty of the amount disbursed for the accomplishment of the work.

Article 14. On the completion of the railway and telegraph line, suitable places should be selected, after joint consultation, for the purpose of appointing persons jointly to superintend and keep a registry of the transactions on the railway; the persons so appointed will jointly prevent the conveyance of contraband goods; and, after examination in the customary manner, allow such goods to pass that are not prohibited. If watchmen or guards are required, people within the royal kingdom shall be hired and wages paid to them, but if they are employed on other works, they shall be remunerated accordingly.

Article 15. After the construction of the railroad and telegraph line, persons in Government service, or soldiers, cannons, muskets, military equipment, &c., shall not be conveyed by trains without the sanction of his Majesty the King; and on production of the royal order only shall they be allowed transit.

Article 16. After the construction of the railroad and telegraph line, whenever orders are issued from the royal court regarding the transmission of intelligence, no charge shall be made for doing so, and likewise all intelligence shall be communicated to the Court before it is forwarded to other parties: whenever his Majesty the King requires the use of the train, the customary payment should be solicited, and all other parties shall be requested to wait until his Majesty's wishes have been primarily attended to. With regard to officials and other persons acting under the orders of the Government, whenever orders are issued from the royal courts, such persons and other followers shall be conveyed free of cost.

Article 17. On completion of the railroad and telegraph line, the collections made on account of the railway and telegraph charges shall be summed up together; and after deducting the various charges, 10 per cent. shall be paid to his Majesty from the amount balance.

By the royal orders of his Majesty, which we bear on the crown of our heads, concession has been granted under the 17 Articles of the guaranteed rules for the construction of a railroad and telegraph line, under the supervision and orders of the Pagan Woongyee, in the Burmese year 1226, 12th day of the waning moon Nayou, corresponding with the English year 1864, 31st day of the month of May in the year forenoon, at the northern end of the Soothan, or royal hall of the high court, in the presence of the Muggway Woongyee, lord of the royal stud; Myadoun Woongyee, lord of the royal muskets; Soung Shyee Woongyee, governor of the royal barges.

This document was signed by the Woongyee, lord of the township of Pagan Mengtha de Mengyee Maha Menghla-tsee-thoo.

Dr. Marfels, whose title is Mengyan, "Theri-Betheka-Pinhya," and Halliday, Fox & Co., by their attorney, Mr. Barlow.

Peacock Seal.	Signature of	Woonshing Dan Pakhangyee, Myotsa Mengyee.
L. S.	"	Ferdinand Marfels.
L. S.	"	Halliday, Fox & Co. By their Attorney, Robert Adeane Barlow.

MINUTE by Sir C. E. Trevelyan, dated Simla, 9th August 1864.

I AGREE in the terms of the accompanying draft, so far as regards the probability of disputes arising between persons connected with the proposed railway and the Burmese, and the necessity which will exist for our Government affording the usual protection to British subjects; but I cannot concur with the Governor General and my colleagues in Council in recommending that Her Majesty's Government should for these reasons seriously consider whether the project should not be discountenanced and prevented.

We have applied measures of coercion to impose upon the Chinese and Japanese the common duty of commercial intercourse. In this case, an Indo-Chinese nation voluntarily offers to take the most effectual step to promote such intercourse with themselves and the Chinese.

Colonel Phayre, in his letter reporting the railway concession, observes that "the project of this railway, whether eventually successful or not, is certainly due to the treaty of November 10, 1862, between His Excellency the Viceroy and His Majesty the King of Burmah."

The main objects of that treaty were stated as follows, in the instructions to Colonel Phayre, dated 12th May 1862:

That the commercial route from Ava *via* Bamo to the Chinese province of Yunnan should be re-opened:

That British merchants and their agents, European and Asiatic, should be allowed to pass by that route, and reside at Bamo, in order to attend to the trade:

That Chinese traders and labourers should be allowed to pass into British territory without hindrance, the special intention being that the tea planters in Assam should be allowed to send an agent to Bamo to engage Chinese labourers.

All these objects have been provided for by the treaty, which was not obtained without a serious sacrifice on our part. The abolition of the frontier duties caused the loss of a steadily increasing revenue, which already amounted to 600,000 rupees a year; and we have foregone for all time to come a much larger revenue, which was to be expected from the export and import duties leviable at Rangoon upon the trade with the independent countries in the interior. A one per cent. duty is all we can take upon the imports from Rangoon to Bamo or the exports beyond sea from Bamo through Rangoon.

It is true that there is no express mention of a railway in the treaty, but a railway is the inevitable corollary of the premises contained in the treaty. Railways have become necessary to meet the requirements of modern trade; and although some difficulties may attend their first construction, nothing can be better calculated to promote a mutually beneficial intercourse with the people of semi-barbarous countries, to induce the knowledge and habits which belong to civilisation, and in the end to prevent that friction and collision which is so much feared.

It appears from Colonel Phayre's report of 21 November 1862, that the treaty was "so worded that the steamers might come as a matter of right, and merchants settle at Bamo or anywhere else." By it, British merchants may proceed up the "Irrawaddy in such manner as they please without hindrance," and "may purchase whatever they may require (fuel, for instance), and settle in any part of the Burmese territory. The King and Minister are fully prepared under this for the appearance of British steamers, and for our merchants to settle at Bamo. I trust, therefore, that his Excellency the Viceroy in Council will consider that the road to China is thereby fully opened to our steamers as far as they can go, and that our merchants may now proceed by the Irrawaddy to Bamo, and deal direct there with the Chinese caravans."

It is plain from this that a mode of communication with Bamo was contemplated by both parties to the treaty, which involves most of the consequences of a railway; but it has been proved, by the experience of the Indus and other rivers in both hemispheres, that the facilities afforded to trade by steam vessels, are not to be compared with those offered by railways, and hence the proposal to construct a railway.

I am not afraid of any consequences to be apprehended from the construction of

of a railway to Bamo. The military power and spirit of the Burmese have been so broken by the two wars in which they have been worsted by us, and we have acquired such a knowledge of our influence in their country, that the relative position of the two Governments is now totally altered from what it was even before the last war.

The Burmese have ceased to be a conquering race, and are turning their attention to peaceful pursuits. If the Burmese Government is properly encouraged and assisted by us, there is every hope that its policy will take a commercial turn, which will be our best security for the preservation of peace, as the construction of a railway would be our most effectual instrument for carrying on war.

I am also of opinion that the chances of serious disputes arising between the railway employes and the people are rated too high. There have been some recent complaints of the conduct of a railway surveying party in the Hyderabad territory, arising chiefly from the excessive price demanded for the necessities of life in that quarter; but generally speaking, railway construction in India has been attended with an unusually small proportion of unpleasant feeling between European and native. The natives have in particular appreciated the exactness with which ready money payments have been made to the labourers and all others concerned. The concession in this case is a business-like document, being a modification of our Indian railway contracts to suit the treaty with Burmah and the prejudices of the Government and people. The only point on which especial precaution seems to me to be required, is in the 7th article, which might, in concert with the Burmese officials, be used to cover the great vice of forced labour, by which the Burmese in former days depopulated the countries subdued by them.

We shall not be in a better position in five years hence for settling this question than we are now. On the contrary, if we force upon Burmah the policy which we have broken down in China and Japan, the Burmese Government will be confirmed in its former exclusive spirit, and will have nothing to divert its attention from military organisation. Any time we may take will have its peculiar risks, but I am persuaded that the smaller risk and the greater advantage are on the side of promoting commercial intercourse by the formation of a railway from Mandalay to Bamo, and, as a necessary consequence, from Rangoon to Mandalay. The British Government is not responsible for the concession which was granted by the Burmese Government without any previous consultation with us; and it has been studiously framed so as to save the honour and authority of the Burmese Government. It should, in my opinion, be recognised by us in that sense, and be left to its operation. We should, through our agents, render any good offices in our power, without involving ourselves in guarantees, or compromising the Burmese Government. According to the arrangement, the primary jurisdiction, in case of disputes, rests with the Burmese Government; and, as the concession was obtained by persons who evidently understood the temper of that Government, it may be hoped that their subsequent proceedings will be conducted in the same spirit. It is only in the case of the two parties to the agreement, or those acting under them, becoming seriously embroiled, that we should have to interfere.

(Political Department.—No. 65.)

The Secretary of State for India to the Governor General of India in Council,
dated 7 November 1864.

1. I HAVE attentively considered in Council the reference contained in the letter of your Excellency's Government, No. 51, dated 13 August 1864, respecting the course which it is proper for the British Government to pursue relative to the recent proposal to construct (under concession from the King of Burmah) a railway and telegraph from Mandalay to the Burmese frontier of China.

2. Her Majesty's Government concur generally in the view which has commended itself to the majority of your Excellency's Government, and are of opinion that, considering the political embarrassments which would inevitably

arise from this scheme, the collisions likely to occur between the railway officials and the authorities of the Burman Government, and the extreme difficulty of protecting the former when constructing the line, and afterwards, when it is completed, the countenance and encouragement of the British Government should not be accorded to the plan.

(signed) C. Wood.

Liverpool, 10 July 1866.

To the Right Honourable Lord *Cranborne*, Her Majesty's Secretary of State for India in Council:

The Memorial of the Liverpool, East India and China Association

Showeth,

1. THAT your memorialists are extensively engaged in trade with India and China, and are necessarily much interested in every opening that can be found for its peaceful extension in those countries.

2. That since the annexation in 1852 of the Burman sea-coast provinces of Pegu and Martaban to British India, it has been proposed that the Shan States adjoining them should be commercially opened under friendly arrangements with the King of Ava by a railway from the port of Rangoon across Eastern Pegu and the Burman Shan States to the right bank of the Meikong or Upper Kamboja River, near to where it issues from the Chinese province of Yunan.

3. That having very fully considered the importance of such a peaceful extension of trade over those interior portions of Eastern Asia, and become satisfied of its practicability with the co-operation and support of Her Majesty's and the Indian Governments, your memorialists, on the 23rd September 1862, addressed a memorial to your Lordship's predecessor in office, praying that a commercial treaty might be negotiated with the King of Ava to facilitate the transit of merchandise across his territory to China. In reply to which, the then Secretary of State for India informed your memorialists, on the 25th September 1862, that "he directed the notice of the Government of India to the subject in June 1861, and that he has recently received a despatch, stating that the Chief Commissioner of Burmah has been desired to keep his attention directed to the prospect of trade with Western China, and to avail himself of every favourable opportunity to obtain knowledge of the several routes which have been suggested for tapping the commerce of China in that quarter."

4. That a commercial treaty having been negotiated with the King of Ava on the 10th November 1862, before that memorial could have reached the Government of India, your memorialists finding that no provision was made for a direct trade from Rangoon with the Shan States and China, addressed a letter to Her Majesty's President of the Board of Trade upon the subject, on 28th August 1863, urging the advantage to British commerce of a route being opened between the port of Rangoon and the south-west frontiers of the Chinese province of Yunan, and praying that a survey of the country between Rangoon and the Upper Kamboja River might be undertaken.

In reply to which the President of the Board of Trade informed your memorialists, on the 4th September 1863, that "copies of their letters had been transmitted to the Foreign Office and to the Secretary of State for India."

5. That not being favoured with any communication thereon from the Foreign Office, your memorialists, on the 13th November 1863, addressed a letter to Her Majesty's then Secretary of State for Foreign Affairs, Earl Russell, referring to their above letter to the President of the Board of Trade, and respectfully inquiring whether Her Majesty's Government had decided upon taking any action thereon; "to which Earl Russell replied, under date 25th November 1863, informing your memorialists that the matter to which they referred more immediately comes within the department of Her Majesty's Secretary of State for India, to whom this Association should address themselves."

6. That, consequently, your memorialists, on the 27th November 1863, addressed a letter to Her Majesty's then Secretary of State for India, stating that
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Earl Russell had referred them to him for the desired information, and requesting that they might be furnished with it. In answer to which, the Secretary of State for India informed your memorialists, by letter dated 7th December 1863, "that the Government of India had been instructed to report on the best means to be adopted for developing the resources and improving the intercommunications of British Burmah. Pending the receipt of this report, Sir Charles Wood is not prepared to issue any further or more specific orders on the subject."

7. That by the Parliamentary Papers of 1864, "China, 0-77," your memorialists see that upwards of 20 memorials were forwarded to Her Majesty's Ministers from other principal commercial chambers and associations of the kingdom, advocating and praying for the extension of trade from Rangoon to the Burman Shan States and Western China.

8. That, nevertheless, your memorialists have not been favoured with any communication on a subject so important to your memorialists and to the country at large, nor have they learned that Her Majesty's Government has as yet decided upon taking action thereon.

9. That the memorandum and map by Captain Williams, Inspector of Public Works in the Rangoon Division of British Burmah, dated 21st January 1865, and presented to Parliament last Session (Parliamentary Papers, Rangoon and Western China, 373, 1864), fully establishes that a railway for direct commerce from Rangoon with the Burman Shan States and Western China can be easily and cheaply constructed, Captain Williams' elaborate report concluding with the following forcible paragraph:

"After a very careful consideration of the entire subject, giving to all the arguments and statements of objectors their full weight, I do not hesitate to record it as my professional opinion, founded on my own personal knowledge of the features of the country to be traversed, acquired during a residence of nearly 12 years in British Burmah, that the 'direct land route' suggested by Captain Sprye, from Rangoon to Kiang Hung *via* the Pakoo Ferry, has in no way been shown to be impracticable; but, on the contrary, that what is before me in support of such an opinion, tends strongly to establish the very reverse, the perfect practicability of the route for a railway, and since such thorough survey of the route cannot be expensive beyond its utility, the vast importance of the object to be obtained is such as fully to warrant the outlay incident to a careful survey, and the submission of the results to the British Government."

10. That in reference to the foregoing, and without touching upon the commercial importance of extending the Indo-European Telegraph, as also proposed by Captain Sprye by the same land route to Hong Kong,—

Your Memorialists pray,

1st. That your Lordship will be pleased to authorize a thorough professional survey by some eminent railway engineer of this country, to ascertain the best line for a railway to be carried from Rangoon to the extreme north-east frontier of the provinces of Pegu and Martaban, and thence by the Takoo Ford of the Salween River through Kiang Tung to Kian Hung, or by any other preferable route to the Mei Kong or upper Kamboja River on the south-west frontier of China.

2nd. That your Lordship will move Her Majesty the Queen to send an envoy of suitable rank to the King of Ava, to negotiate, under your Lordship's instructions, the necessary friendly and equitable arrangements with his Government, in so far as the line may have to pass across Shan territory tributary to his Majesty.

And your Memorialists will ever pray.

(signed) A. D. Anderson, Chairman.

(Political.—No. 75.)

The Secretary of State for India to the Governor General of India in Council,
dated 29th September 1866.

* Dated 10 July 1866. Para. 1. I FORWARD for your information, copy of a Memorial* I have received from the Liverpool East India and China Association, upon the subject of opening a communication between Rangoon and the western frontier of China.

2. I have considered this memorial in Council, together with the papers noted

† 1. Memorials on the subject of opening up a direct communication with the West of China from the Port of Rangoon. (Parl. Paper, 1864.)

2. Memorandum on Railway Communication with Western China and the intermediate Shan States from the Port of Rangoon in British Burmah, by Captain J. M. Williams. (Parl. Paper, 1865.)

3. Journal of the Salween Surveying Expedition during the season 1864-65. Calcutta.

4. India Foreign Letter, No. 51, 1864.

in the margin.† This question was brought before you in 1864, by the grant of a concession from the Burmese Government to Messrs. Halliday, Fox & Co., for a railway and telegraph line from Mandalay to the western frontier of China. You expressed yourself adversely to this particular scheme, entered into without your cognizance and sanction, on the ground that the class of persons whom it would introduce in large numbers into Burmese territory might, through their ignorance of native customs, endanger our present amicable relations with that empire. My predecessor, in his Despatch of the 7th of November 1864, No. 65, concurred in your objections to the proposed undertaking.

3. It is evident that these objections apply, in some degree, to every proposal for establishing a communication, either by road or railway, between British Burmah and Western China, and they will carry more or less weight, according to the part of the empire through which the communication is proposed to be carried, the disposition of the population through whose country it will pass, and the extent of foreign soil it will have to traverse, on all which points much additional light has been thrown by the report of Captain Williams, which has been made since the date of the correspondence between my predecessor and your Government in 1864. Still more material will be the means of forming an estimate of the extent of the commercial advantages by which such difficulties would be counterbalanced, and which are believed to be little inferior to those realised in Eastern China.

4. It is desirable that Her Majesty's Government should be able to give a definite reply to the various commercial bodies who attach great value to the establishment of such a communication. It is impossible for them, however, to form any conclusion as to the policy of permitting or discouraging such projects, until they are in possession of more extended information with respect to the probable cost of the projected road or railway, the direction it would take, and the points on the British and Chinese frontiers it would connect. In the absence of a reliable survey, the difficulties of the intervening country, and, consequently, the cost of surmounting them, must remain a matter of conjecture. Until these facts are ascertained no estimate of the commercial advantages likely to ensue from the undertaking can be formed, and consequently one of the main elements of a decision upon the policy of encouraging it will be wanting.

5. Her Majesty's Government have given due weight to the objections urged in 1864, by your Excellency's Government, on the ground of the danger of a surveying party coming, whether through misunderstanding or otherwise, into collision with the local authorities or the people of the countries through which such an expedition would pass, and thus leading to political difficulties. Her Majesty's Government consider it an indispensable preliminary to the commencement of such a survey, that the full and free consent of the ruler of the territory in which it is to be made should in each case be obtained, and the issue of the expedition recently formed under your authority to explore the course of the Upper Salween sufficiently demonstrates that whatever danger might attend the operations of engineers or surveyors, not qualified by previous training to avoid collision with the authorities of the Burmese or other Native Government, no such danger can attend the exploration of a surveying party properly selected and prepared.

6. Unless, therefore, some circumstance with which they are unacquainted should constitute in your judgment an insuperable objection to such a course, Her Majesty's Government authorise you, after duly obtaining through your Chief Commissioner

Commissioner in British Burmah, or otherwise, the consent of the Court of Mandalay and the Chiefs of the territories which intervene between the Burmese Empire and the Chinese frontier at or near Kiang Hung, to take the requisite measures for forming a surveying or exploring expedition to ascertain the best route for a road or railway between the frontiers of British Burmah and Western China, and the probable cost of executing the same.

7. Judging by the conduct of the King of Burmah and of the Chiefs of the Shan States, with respect to the Salween expedition, there is no ground for anticipating any opposition at their hands, if they are sufficiently assured of the amicable intentions of Her Majesty's Government, and at the same time of the importance we attach to the accomplishment of this survey.

8. I must entirely leave it to the discretion of your Excellency's Government to decide upon the details of the expedition, and upon the order in which the necessary investigations shall be carried on. Her Majesty's Government desire that the information which they are anxious to obtain shall be procured in whatever manner may be in your judgment most effectual, and most in accordance with the public interest.

I have, &c.
(signed) *Cranborne.*

(Foreign Department—Political—No. 197.)

The Governor General of India in Council to the Secretary of State for India.

Fort William, 8 December 1866.

WITH reference to your Despatch, No. 75, dated 29th September last, giving cover to a Memorial from the Liverpool East India and China Association, upon the subject of opening a communication between Rangoon and the western frontier of China, we have the honour to transmit herewith the accompanying copy of a letter from the Chief Commissioner of British Burmah, and of our reply thereto.

2. In the present state of the finances, we deprecate even the probable expenditure which a preliminary exploration of the country would involve. We believe that the measure would not lead to any satisfactory results; and especially that it would not furnish any solid data on which to estimate the approximate cost of a railway or road through Burmah. The utmost it could effect would be to give some general idea of the practicability of such works, so far as the physical features and the political condition of the region are concerned.

3. To form a tolerable estimate of the cost of a road or railway, a large staff of engineers would be required for at least a couple of years, and even then there would be little certainty of what would prove the actual cost of the work.

4. We do not doubt that a road or railway through Burmah might be constructed, but we feel sure that the cost would prove very large, and we consider that under no circumstances ought such a charge to be debited against the revenues of India; at the same time we are not aware of any other source from which the charge could be met.

5. Other considerations which we also desire to submit to your Lordship's notice are, that in a territory so thinly populated as Burmah, the labourers required to execute the work would have to be imported for the purpose, at a considerable sacrifice probably of human life, and that the difficulty of securing adequate police and administrative protection along the whole length of the contemplated line, would necessarily be very great among states and tribes which are not only independent of our sway, but, under native governments, weak, fluctuating, and untrustworthy.

6. We trust, therefore, that we may not be required to undertake the scheme; but in case Her Majesty's Government may still be of opinion that it should be prosecuted, we beg that your Lordship will instruct us by telegram to that effect.

No time will really be lost by this apparent delay, for the interval up to the date at which we may expect to receive the telegram, will be occupied by the preparatory arrangements which the Chief Commissioner has been directed to negotiate with the King of Burmah.

We have, &c.
 (signed) *John Lawrence.*
H. S. Maine.
W. Grey.
G. N. Taylor.
W. N. Massey.
H. M. Durand.

(No. 58.)

From Colonel *A. P. Phayre*, c.b., Chief Commissioner of British Burmah and Agent to the Governor General, to the Secretary to the Government of India, Foreign Department, with the Governor General,—No. 190, dated Prome, the 22nd October 1866.

I HAVE the honour to acknowledge the receipt of your letter, No 937, dated the 14th ultimo, together with enclosed copy of a memorandum on proposed railway communication between Rangoon and Western China, by Captain J. M. Williams, Executive Engineer, Rangoon Division. Being away from the records of my office, and not having with me a copy of the map referred to in the memorandum, I fear I may not be able to give so distinct or intelligible an opinion on each point as I could wish. I trust, however, that due allowance will be made for this by his Excellency the Viceroy and Governor General in Council.

2. It will be observed that Captain Williams's memorandum refers to three routes, two being partly by the Irrawaddy River, and one direct from Rangoon, entirely by land. It is the latter which he advocates. As I understand also, he adopts entirely the line advocated by Captain Sprye, that is, from Rangoon to Baughta north of Shwegyeen, on the Sittang River, and thence in a north-easterly direction across ranges of hills to gain the valley of the Salween River, from thence to follow the right bank of the Salween as far as what is called the Takau Ferry, in about 20° 50' N. L., and from thence north-east to Kiang Hung in 22° N. L., near to or on the great Cambodia River.

3. When the present object is rather to ascertain the probable expense of a survey than to speculate upon various lines, it may at first appear scarcely worth while to mention this proposed route, and then to proceed to refer to another; but it is necessary to do so. For instance, I am inclined to think that the line, instead of leaving the valley of the Sittang River near Shwegyeen, should proceed up by the right bank of the river to Toungoo, our frontier station, and thence probably as far north as Yemethen, in the Burmese territory, in about 20° 30' N. L. As it is agreed on all hands that the Burmese terminus of what may be called the line of Southern Yunau should proceed to about Kiang Hung, on the Cambodia River from about the position of Yemethen, it would have to turn eastward.

4. In regard to the probable cost of a survey of such a road as that indicated by Captain Williams from Rangoon to the borders of China, I beg to submit a copy of a memorandum drawn up by that officer, and dated the 6th instant. Undoubtedly, as remarked by Captain Williams, what has to be now provided for is a mere reconnoitring survey; a selection, in fact, of the line of least apparent difficulty from eye or rough measurement between two points, Rangoon being one, and a spot on the great Cambodia River, or east of it, somewhere about the 22° N. Lat. being the other. Now, the general line advocated by Captain Sprye and by Captain Williams, and that I have indicated, at some parts of their courses deviates not less than 150 miles from each other: even to reconnoitre these two lines will be a work of considerable labour. I should say it cannot be done in one season, as Captain Williams has calculated. That officer has given for one season seven months' work, with salaries to those employed, as

entered

entered in the margin. I think we must consider that two seasons will be consumed in this work ; and, as observed by Captain Williams, an officer should certainly go in political charge of the party ; his salary, while so employed, should not be less than that of the Chief Engineer, and 500 rupees a month besides, as travelling allowances. This would bring the total expenditure for two seasons of seven months each up to 91,000 rupees. If, then, I state the probable cost of the reconnoitring survey at a lakh of rupees, I feel I shall not be overstating what is probable.

Chief Engineer for seven months	Rs.
at Rs. 2,000 - - -	14,000
Assistant Engineer at Rs. 800 -	5,600
Travelling expenses and contingencies - - -	7,000
Lascars, &c. - - -	1,400
TOTAL - -	Rs. 28,000

5. In regard to the probable success in the construction of a railway with reference to physical difficulties, I believe, if the line apparently advocated by Captain Williams turning north-east from Baughta be followed, the physical difficulties met with will be far greater than any yet encountered by railway enterprise in India, I mean as far as mountains constitute physical difficulties. If the line up the Sittang valley to about Yemethen be followed, no difficulties will be encountered until the line gets into the hilly country of the Shan States ; then, however, they, no doubt, would be considerable. In any case, however, I fear the grand difficulty will be that of labour. In all these countries population is sparse, and the people, as a rule, abhor digging labour.

6. Notwithstanding the great difficulties which, I think, will have to be encountered in building a railway, I think the national interests involved in opening out, or endeavouring to open out, direct communication between Western China and Rangoon are so vast, that I think a surveying party should be sent to explore and roughly survey the proposed line or route. I feel assured that the Burmese Government will not oppose the plan, though undoubtedly they have an undefined dread of such a work. I should recommend the party being arranged for as soon as possible.

7. I must admit that I cannot form any opinion as to objections which might be urged against the proposed road, as involving our political relations with China. As far as the Burmese Government is concerned, I think they will not oppose the plan. It will undoubtedly be necessary to provide very carefully against misunderstandings during the construction of the line. This must be done by stationing Government officers at intervals along it.

8. The finances of the Burmese Government are so deranged, that they could not possibly be expected to aid in the work. They will probably ask for some pecuniary compensation for granting a right of way through their country and through the tributary Shan States.

9. As regards the mercantile community in British Burmah, they are most anxious to have the communication established. It is naturally felt that it would raise Rangoon in a few years nearly to a level with Calcutta or Bombay. On the 1st of December last I had the honour to submit a proposal to two gentlemen of Rangoon, Mr. W. S. Steel, of the firm of Gladstone, Wyllie & Co., and Mr. Leon Hernandez, agent for a company trading to Burmah. These gentlemen are prepared to form a company to carry out the project of a direct railway from Rangoon to Western China on the same terms that have heretofore been granted to railway companies in India.

10. I would venture to suggest that a party should be sent from the Chinese side to meet the survey party on the Cambodia River somewhere about Kiang Hung, in latitude 22° north. From that side also it would be advisable to make it a point of special inquiry as to what amount of traffic is likely to be brought to feed the railway carried to the Cambodia River or some distance east of it.

RAILWAY COMMUNICATION WITH WESTERN CHINA.

(Reference, Government of India Letter, No. 937, dated 14th September 1866, regarding a proposed survey of the route.)

THE letter above quoted directs that an estimate be submitted of the probable cost of surveying such a route as that indicated in my memorandum dated 21st January 1865, from Mandalay to the borders of Western China.

Now the route advocated by me in my memorandum is the direct route by land from Rangoon on the sea-board of British Burmah to the borders of Western China by the valley of the Sittang and Salween, in direct opposition to the route *vid* Mandalay, commencing as it would do several hundred miles from the coast and entirely beyond British territory.

As the very cogent objections to the Mandalay route are detailed at length in that memorandum, I will not now refer to them, except to observe that the result of conversations which I have since held with mercantile gentlemen in England, and inquiries made on my return to this country, has been to convince me still more of the soundness of my arguments against that route. I will, however, remark, that so valueless in the English money market was the concession obtained by Messrs. Halliday, Fox & Co. for a railway from Mandalay to China, that the creditors of that firm were unable to realize anything upon it.

For the reasons thus mentioned, and as the route is referred to by the Government of India as the one indicated by me, it appears probable that, through a clerical error, Mandalay has been named as the route instead of Rangoon.

The "direct route," so called in my memorandum above referred to, in order to distinguish it from the other routes which combine river and land communication, would follow the valley of the Sittang to the most convenient point of departure for crossing the watersheds of the Sittang and Salween valleys to the Takoo Ferry, whence to Kiang Hung few, if any, difficulties are anticipated.

The object of my memorandum was to dispel the impression that was gaining ground consequent on Messrs. O'Reilly and Watson's Report that the only route which I consider can be financially feasible was physically impracticable. I therefore examined their reports in detail, and endeavoured to show that even the indentical lines followed by these officers had not been proved impracticable, and that there was good reason to believe that a proper survey would prove the reverse. But, as I then explained, "the precise route to be adopted between the Sittang and Salween Rivers, must depend on the result of a thorough survey of that part of the country by professional engineers."

The most convenient point of departure from the Sittang valley would doubtless be about the latitude of Toungoo, but it must be remembered that the hill ranges to be crossed may be considered as spurs or offshoots of the Himalayan range, and therefore the nearer we approach the north, the ranges to be crossed may be expected to increase in elevation and steepness.

I am inclined to consider that the best plan will be for the expedition either to proceed *via* Toungoo, returning by a more southerly route, or, leaving the Sittang near Shwegyeen, examine that route, and return *vid* Toungoo.

Mr. Steel has already submitted proposals for the construction of a railway by the direct route so far as lies within British territory, *vide* Chief Commissioner's memorandum dated 1st December 1865, and he informs me that Messrs. Gladstone, Wyllie & Co. are willing to render every assistance in their power towards the construction of a railway to Western China by that route, and that they are prepared to form a company to carry out the project on the same terms that have been granted to railway companies in India.

All that is now needed is, definitely to decide the question of the practicability of the route; for this purpose no detailed survey is required; that must follow when a feasible route has been selected. All that is immediately requisite is a reconnoitring survey.

This can probably be done under favourable circumstances in one season of seven (7) months. It should be conducted by an experienced engineer, accompanied by an assistant, so that, in the event of casualty to one officer, the result of the survey may not be lost.

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The cost of the survey must be mainly dependent on the salaries of the officers who may be appointed, and, therefore, on the individual selections made by Government; but the following may, I think, be taken as an approximate estimate:—

Chief Engineer of the survey, salary for seven months, at 2,000 rupees	-	-	-	-	-	-	-	-	<i>Rs.</i>
Assistant, at 800 rupees	-	-	-	-	-	-	-	-	14,000
Travelling expense, clearing an occasional trace, contingencies, at 1,000 rupees	-	-	-	-	-	-	-	-	5,600
Survey posts and Lascars, at 200 rupees	-	-	-	-	-	-	-	-	7,000
									1,400
TOTAL - - - <i>Rs.</i>									28,000

It would, however, be most desirable that a political officer should accompany the expedition, and Captain Watson, from his local knowledge and experience, coupled with the great interest he takes in the project, would render invaluable service. The salary of this officer, at whatever rate it may be fixed, must be added to the above estimate.

(signed) *J. M. Williams*, Captain,
Superintendent of Works, British Burmah.

Rangoon, 6 October 1866.

(No. 59.)

From *J. W. S. Wyllie*, Esq., Under Secretary to the Government of India, Foreign Department, with the Governor General, to the Chief Commissioner, British Burmah,—No. 1174, dated Camp Agra, the 24th November 1866.

WITH reference to your letter, No. 190, dated 22nd ultimo, I am directed by the Right Honourable the Governor General in Council to forward, for your information, the accompanying copy of a Despatch* from Lord Cranborne, and of its enclosure, on the subject of opening a communication between Rangoon and the western frontier of China.

* No. 75, dated
29 September 1866.

2. His Excellency in Council requests that you will ascertain the views of the Burmese Court and of those Chiefs through whose territory the surveying party will have to pass, and that, in accordance with the instructions contained in paragraphs 5 and 6 of the Secretary of State's Despatch, you will obtain the consent of the several potentates to the expedition. Your negotiations with the King of Burmah should also make provision for His Majesty's deputing an officer to accompany the party.

3. Should your replies on these preliminary points be satisfactory, and should the Government of India ultimately determine to sanction the expedition, the arrangement of all details as to the route which should be adopted in going and returning will be left to your discretion. The line should undoubtedly commence in the vicinity of Rangoon.

4. The attention of the expedition, if eventually it be despatched, should not be limited to the selection of the route which, on solely geographical grounds, may appear the best for a road or railway, but should include all collateral information as to the habits and social condition of the people and the character of the Chiefs by whom they are governed. No safe opportunity should be omitted for obtaining the most reliable data of all kinds on which to base an estimate of the feasibility and probable cost of the undertaking in contemplation.

5. The Governor General in Council approves of the proposal that there should be a political officer at the head of the party, under whose general instructions the surveyors should conduct their inquiries.

6. His Excellency in Council also agrees to the different salaries, which you propose. I am, however, to remark that, if the work occupies two seasons, provision must be made for an expenditure of two entire years, because the intervals between the seasons for field operations will be occupied in digesting the in-

formation obtained, and in making out the sketch maps and reports required by the Government.

7. I am, in conclusion, to request that you will submit for approval the names of the officers whom you would recommend for appointment to the expedition. You will take care to submit the names of those only whom you may have ascertained to be available for the service.

(Political.—No. 20.)

The Secretary of State for India to the Governor General of India in Council ;
dated 7 February 1867.

Para. 1. I HAVE considered in Council the Foreign letter of your Excellency's Government, No. 197, of the 8th December last, containing, with reference to my Despatch, dated 29th September (No. 75) 1866, an expression of your opinion, together with that of the Chief Commissioner of British Burmah, on the subject of the proposed communication between Rangoon and Western China.

2. I am unable to concur in the reasons which induce you to "deprecate" even the probable expenditure which a preliminary exploration of the country "would involve." I find from the report on the administration of British Burmah for the year 1865-66, that the surplus of revenue over expenditure in that province was more than six lacs on a gross revenue of 100 lacs, whereas for the same year the surplus of revenue over expenditure throughout the whole of India was only estimated at two lacs on a gross revenue of 47 crores. Even after allowing for the contribution to central expenses due from British Burmah, it is evident that an additional half lac may, without injustice to the rest of India, be, for two years, spent in an undertaking which will be productive of benefit to that province. I trust, however, that the expenditure of a smaller sum may prove sufficient to obtain the information sought for by Her Majesty's Government. The papers which I have received from you do not permit me to doubt that such benefit may be anticipated from any measures tending to facilitate communication between British Burmah and Western China. In the administration report above referred to, I find the following observations :—

" Para. 72. To the eastward of Burmah lies the country of the Shans. This people is divided into numerous small clans, each under an independent Chief. It is this political separation, and the mutual jealousies of the many States, which render them unable to resist the Burmese power. The people are industrious and energetic; they long for self-government and free trade; they possess a marvellous capacity for travelling as petty traders. Placed in a country having no great navigable river, for the Salween is full of rocks, rapids, and falls throughout its course, all their trade is carried on by land. They have no carts, but carry their goods for hundreds of miles on the backs of bullocks, or on their own shoulders. They come yearly in large numbers to British Burmah. A road, whether railway or other, which passed from Rangoon through Shan land and touched China, would extend commerce with this enterprising people, and bring the products of Yunan direct to British Burmah. There is more than one route by which this object might be accomplished.

" 73. Considering that the population of British Burmah is not more than two millions and a quarter of souls, and that the means of traffic with adjoining countries, except by the line of the River Irrawaddy, are merely by bullock carriage over unmade tracks, the value of the import and export trade is very large. It speaks well for the consuming and producing capacities of the people, that their consumption of the textile fabrics of Europe is proportionately greater than that of any Indian Presidency. The importance of facilitating commerce with such a people is self-evident."

3. I find that in his letter to you of the 22nd October last, the Commissioner reiterates his views upon this subject, and that they are fully shared by the mercantile community of Rangoon :—

" Para.

"Para. 6. Notwithstanding the great difficulties which I think will have to be encountered in building a railway, I think the national interests involved in opening out, or endeavouring to open out, direct communication between Western China and Rangoon are so vast that I think a surveying party should be sent to explore and roughly survey the proposed line or route. * * * *

"9. As regards the mercantile community in British Burmah, they are most anxious to have the communication established. It is naturally felt that it would raise Rangoon, in a few years, to a level with Calcutta or Bombay."

4. Looking at these opinions, and bearing in mind the enormous advantages which have resulted from the establishment of communications in cases where a far smaller amount of traffic had previously existed to encourage the undertaking, I retain the opinion that, both in the interest of England and British Burmah, this survey should be carried forward. I have, therefore, to request that you will act on the instructions contained in my former Despatch.

5. In doing so, I must carefully guard myself from even appearing to undertake, that if a decision should ultimately be arrived at in favour of the construction of such a road or railway, the necessary capital will be either furnished or guaranteed by the general revenues of India.

6. Your Excellency will understand, that in renewing these orders it is not my wish that you should take any step which shall, in your judgment, incur any grave risk of political embarrassment.

I have, &c.
(signed) *Cranborne.*

DISSENT by Sir *E. Perry* from Draft Despatch, passed 7th February 1867, respecting Communication between Rangoon and China, concurred in by Sir *James Hogg*.

THIS whole subject has been several times before the India Office during the last six years, and also before the Government of India, and has been fully considered in every point of view. The proposal in every shape, whether for road, railway, or survey, has been rejected by all the authorities. When a similar scheme was laid before the Geographical Society, it was also condemned as wild and visionary.

All the petitions from the Chambers of Commerce and others, contained in the papers laid before the House of Commons in 1864, were considered by the Secretary of State in Council of that year, and Sir Charles Wood then distinctly refused to sanction the survey of the country between Rangoon and Kian Kung, with the view to the construction of a road.

The reasons for that refusal, chiefly political, and in accordance with similar views expressed by the Governor General in Council, are contained in a Despatch of the Secretary of State in Council, dated 7th November 1864, refusing sanction to a proposed railway between Rangoon and the Burmese frontier.

When, therefore, the present Governor General in Council, in reply to a recent reference from this office, strongly deprecates even the small expenditure which a preliminary exploration of the country would involve, it is impossible to imagine a stronger body of Indian authority against the proposal.

The objections which have hitherto weighed chiefly with this office are political, though the financial ones are scarcely less substantial.

The line in question is about 500 miles in length, and for about a half traverses foreign territory. Much of this is in a very anarchical condition, and the best parts, those inhabited by the Shans, who are tributary to the Burmese, are understood to be very desirous to throw off their allegiance and come over to us. Other parts of the line, between the Shans and China, are inhabited by wild tribes of warlike character, and of whom we know little or nothing. It does not require much Indian experience to foresee that if we make and maintain a line through the country of these Burmese, of the Shans, two wild tribes, we shall have very speedily to annex the whole country in self-preservation, and this is a result much to be deplored.

But, secondly, the financial features are almost equally grave. Of course it is

the desire of every British statesman to open up new channels of commerce, to promote civilisation, to develop resources; and it is not at all wonderful that the different Chambers of Commerce should be led to believe that, if only good communications could be opened between Western China and Rangoon, the latter port would soon become a Calcutta or Bombay.

But, on examining the various documents in question, which bear a wonderful family likeness, and which evidently are founded on the various appeals to the public that one individual (Captain Sprye) has been making for the last 40 years, it will be found that various statements are hazarded which none of the information we possess in this office tends to confirm.

Thus, to use the words of one chamber (that of Leeds), "Your memorialists are credibly informed that the province of Yunan is fertile and thickly peopled, being covered with populous cities, connected together in all directions by the high roads, navigable rivers, lakes, and canals."

The Bristol Chamber of Commerce, that of Halifax, and the East India and China Association, make similar statements.

Yet, when this subject was fully discussed in the Geographical Society, Sir John Davis, Mr. Crawford, and other eminent authorities on China, agreed that Yunan was the most barren, the wildest, and the least populous of all the 18 provinces of the Chinese Empire, having, in fact, only 51 inhabitants to the square mile, whilst the most populous have between 800 and 900.

It must be added to this, that the line on this side of China also goes through most wild and thinly inhabited districts, and the economical difficulties of the route are forcibly pointed out by the Government of India.

On financial grounds, therefore, it appears to me that a railway, which alone has been advocated by projectors, would be a most costly and unremunerative undertaking, and that the Government of India are well justified, in the present state of their finances, with a probable deficit, and so many schemes of a more remunerative character pressing on their attention, in demurring so strongly as they do even to the preliminary expenses of a survey.

For all these reasons, I object to the Despatch, even with the additional paragraph giving a discretion to the Governor General not to act upon it if he thinks any serious political objections intervene.

(signed) *E. Perry.*

I concur. (signed) *J. W. Hogg.*

8 February 1867.

(Foreign Department.—Political.—No. 13.)

The Governor General of India in Council to the Secretary of State for India, dated 23rd January 1867.

IN continuation of our Despatch, No. 197, dated 8th December last, on the subject of the projected railway communication between Rangoon and the frontiers of Western China, we have the honour to transmit, for the information of Her Majesty's Government, the accompanying copy of a correspondence with the Chief Commissioner of British Burmah, from which it will be observed that we have authorised the immediate survey of that portion of the projected line which lies between Rangoon and the Burmese frontier, as proposed by Colonel Phayre, and have directed that preparations for the equipment of the surveying party should be commenced forthwith.

From Chief Commissioner, dated 28 December 1866, No. R. 227.

To Chief Commissioner (telegraph message), dated 4 January 1867.

To Chief Commissioner, dated 5 January 1867, No. 20.

From Colonel *A. P. Phayre*, C.B., Chief Commissioner of British Burmah, to the Secretary to the Government of India, Foreign Department, Fort William; No. R. 227, dated Rangoon, the 28th December 1866.

I HAVE the honour to acknowledge the receipt of your letter, No. 1174, dated the 24th ultimo, on the subject of opening a communication between Rangoon and the Western frontier of China by means of a railway.

2. I have addressed the agent to the Chief Commissioner at Mandalay, requesting that a passport may be applied for to the Burmese Government for a surveying party across the Shan States, and that a Burmese officer may be appointed to accompany the party. I have no doubt but that this request will be complied with.

3. But in any case it is desirable that the portion of the proposed line, which, commencing from Rangoon, must pass through about 250 miles of British territory, should be surveyed at once; and as the season during which such work is practicable in British Burmah does not extend beyond the beginning of May, there will not now be time for more than about three months of field work, for some time will necessarily be consumed in the preliminary arrangements, even after sanction shall have been received to what is proposed.

4. On the subject of what is proposed for the present season, therefore, I beg to submit copy of a memorandum, dated the 27th instant, by Major Oliphant, Royal Engineer Corps, Officiating Chief Engineer of British Burmah. Major Oliphant, to whom I expressed my willingness to recommend him for this important duty, has generously waived his claim thereto in favour of Captain J. M. Williams, Superintendent of Works in British Burmah, who has long taken a deep interest in the proposed survey for a rail to the border of China. Captain Williams is fully competent to perform the duty, and Major Oliphant recommends as his assistant Mr. E. D'Avigdor, a Civil Engineer not in the Government service, but who has been employed in local surveys in this province, and has always given satisfaction. For the season ending about the 1st of May 1867, no political officer will be required, so that the establishment for the survey of the line of rail for this season is recommended to be as follows:—

	<i>Rs.</i>
Captain J. M. Williams, Superintendent of the Survey, at 1,500 rupees per mensem, for four months - - - - -	6,000
Mr. E. D'Avigdor, Assistant Surveyor, at 800 rupees - - - - -	3,200
A Native Surveyor, at 100 rupees, for three months - - - - -	300
An Interpreter, at 50 rupees, for three months - - - - -	150
Contingencies, such as travelling expenses, guard, classes, &c., for three months - - - - -	2,350
TOTAL - - - <i>Rs.</i>	12,000

The above will include, besides three months' anticipated field work, one month for plotting and reporting on the results.

5. For the season of 1867-68, the full establishment recommended in my letter, No. 190, dated the 22nd October 1866, will have to be engaged. But before that time comes round the report of the survey now recommended within British territory will have been received, and the experience gained may, perhaps, lead to a modification of some of the arrangements.

6. In order that no time may be lost, I beg earnestly to recommend that an officer of experience may at once be sent by the Public Works Department to relieve Captain Williams. On this subject I beg to solicit the attention of his Excellency the Viceroy and Governor General in Council to the remarks by Major Oliphant in paragraphs 9 and 10 of his memorandum.

7. Should his Excellency in Council be pleased to approve of the arrangements now proposed for the season of 1866-67, I beg that the approval may be conveyed to me by electric telegraph, in order that as much as possible of the short field season in British Burmah may be turned to advantage.

8. I likewise beg to solicit sanction to the sum of 12,000 rupees as budget grant extraordinary for the duty in question during the current year.

MEMORANDUM by the Officiating Chief Engineer, British Burmah, on the Organization of a Surveying Party for the investigation of a Route for Road or Tramway between Rangoon and Western Frontier of China, to the Chief Commissioner, British Burmah; No. 1117 C-72 C., dated Rangoon, the 27th December 1866.

It appears to me desirable, irrespective of the decision of a route beyond British territory, to settle first the vexed question of the difficulties which are stated to exist against the probability of success in the construction of a practical road or tramway within our own boundaries.

2. For this purpose the present working season will most probably suffice; and as it does not appear to me to be at all necessary that the Government should be put to so large an expenditure as the institution of a permanent or regular survey party on the scale approved by the Government of India in the Foreign Department letter, No. 1174, dated 24th November 1866, would involve, I would merely advocate the organization of a temporary expedition to be formed under the following conditions:—

3. I have, sir, as you are aware, waived the claim, which you very kindly admitted as my right, of taking charge of the survey in favour of my assistant, Captain Williams, solely on the ground of that officer's having represented to me his earnest wish to be allowed to carry out the examination of a project in which he has been much interested, and the feasibility of which has been consistently advocated by him. I need hardly say that I should have been most glad to have been able to take up this very interesting duty, but not wishing even in appearance to do an act of injustice to Captain Williams, I prefer that he should be selected by you for the charge of the survey.

4. As an assistant to Captain Williams, I should recommend that Mr. E. D'Avigdor, c.e., be employed. By taking advantage of this gentleman's services the Government of India will be spared the necessity of sending an officer to relieve any one else in Government employ who might otherwise have been selected for the duty.

5. The survey, including all plotting of details and compilation of reports, may be carried out in four months. The probable cost, all charges comprised, will be as follows, if my recommendation be approved, viz.:—

	Rs.
Captain Williams, as Superintendent of the Survey, 1,500 rupees per mensem, for four months - - - - -	6,000
Mr. E. D'Avigdor, c.e., 800 rupees per mensem - - - - -	3,200
One Surveyor at 100 rupees, for three months - - - - -	300
One Interpreter at 50 rupees, say three months - - - - -	150
Contingencies, such as travelling expenses, guard, classies, &c., for three months of field operations, say - - - - -	2,350
TOTAL - - - Rs.	12,000

or an average of 3,000 rupees per mensem.

6. The cost may possibly exceed this amount if much trace cutting be required, or if the procural of baggage elephants be difficult; but as an approximation the amount denoted is sufficiently accurate.

7. The main object of the proposed survey during the present season will be to select a practicable route from some point near the town of Sittang to the mouth of the Pah-choung, which falls into the Salween River, and forms the boundary of our territory in that direction. The more important question of a definite establishment for the investigation of the continuous route to the Western Frontier of China may be deferred for the present, as the lateness of the season prohibits any extension of the survey beyond the limits of our own territories during the current year.

8. The mercantile community interested in the question will have the full assurance, under the proposed selection of officers for the duty, that their interests will be thoroughly attended to, and the Government of India will have the experience of the temporary expedition to serve as a guide for the future, both as regards the *modus operandi* and selection of officers for the duty of carrying out the more extended scheme.

9. In order that the ordinary duties of the Chief Engineer's office may not be interfered with, it is essential that Captain Williams should be relieved by a thoroughly competent substitute, as it would be manifestly inappropriate to sacrifice efficiency in the current duties of this department, even for the very desirable object of investigating the question of a road to China.

10. As soon as an efficient officer is sent to relieve Captain Williams, he will be at liberty to proceed at once upon the duty I have proposed for him; and should you consider it necessary or desirable for the furtherance of the project, Mr. D'Avigdor might be sent on in advance to make all necessary arrangements in anticipation.

11. The

11. The main difficulties are supposed to exist in our own territories, and it is therefore unquestionable that the settlement of these difficulties, one way or the other, by a competent engineer, as Captain Williams is admitted to be, would place the matter out of the range of either ignorant or interested agitation.

12. The political bearing of the question (having reference to recent reports of French exploration of the Cambodia River) is probably far more important than its commercial, as regards our actual knowledge of the countries to be traversed and attained. The discussion of the subject in this point of view is, however, out of my province, and therefore simply as a public works question, I solicit the Chief Commissioner's consideration of the proposals I have submitted, believing them to be, as regards economy both of time and money, the best which can be made for the fulfilment of an object which has been the subject of fruitless discussion for many years.

SERVICE MESSAGE.

From Calcutta, dated the 4th January 1867.
From Officiating Secretary, Foreign Department.
To Rangoon.
To Chief Commissioner.

"YOUR letter, dated 28th ultimo, No. R. 227, regarding railway communication between Rangoon and Western China, received. Government sanction your proposals, viz., the examination of the country to the Burmese frontier, and the scale of allowances proposed for the surveying party. Captain Luard, of the Royal Engineers, will be also attached to the party. Preparations should be commenced forthwith. Further orders from Public Works Department and by post."

From *J. W. S. Wyllie*, Esq., Officiating Secretary to the Government of India, Foreign Department, to the Chief Commissioner, British Burmah; No. 20, dated Fort William, the 5th January 1867.

HAVING received and laid before his Excellency the Governor General in Council your letter, dated 28th ultimo, No. R. 227, on the subject of the projected railway communication between Rangoon and the frontiers of Western China, I am directed to state that the Government of India approves your proposal for the immediate survey of that portion of the projected line which lies between Rangoon and the Burmese frontier.

2. The surveying party may be constituted in all respects, as you suggest, with the following modification:—The Governor General in Council thinks it desirable that Captain Williams should have associated with him some officer who possesses a knowledge of railway engineering; accordingly, Captain C. H. Luard, R.E., at present officiating as Deputy Consulting Engineer in the Railway Department, Bengal, has been selected for the duty, and will proceed to join at the earliest practicable date.

3. Preparations for the equipment of the party should be immediately begun.

No. 21.

COPY of the correspondence forwarded to the Public Works Department, for information, and the issue of subsidiary orders. After settling the allowances to be drawn by Captain Luard, it is requested that the papers may be communicated to the Financial Department for the purpose of obtaining sanction to the expenditure involved.

(Political Department.—No. 41.)

The Secretary of State for India in Council to the Governor General of India in Council, 16th March 1867.

THE letter of your Excellency's Government, dated 23rd January, No. 13 of 1867, in the Political Department, transmitting correspondence relating to the survey of that portion of the projected line of railway between Rangoon and Western China, which lies between the former place and the Burmese frontier, has been received; and I have to communicate to you my approval of the measures reported in these papers.

I have, &c.

(signed) *Stafford H. Northcote.*

RANGOON AND WESTERN CHINA.

COPY of further PAPERS or CORRESPONDENCE
between the Government of *India* and the Secretary of State, on the proposed COMMUNICATION
between *Rangoon* and *Western China*, &c. (in
continuation of Parliamentary Paper, No. 373, of
Session 1865).

(*Mr. Kimbaird.*)

Ordered, by The House of Commons, to be Printed,
12 April 1867.

RETURN to an Address of the Honourable The House of Commons,
dated 27 June 1867;—for,

“ COPIES of LETTER from Captain *Williams*, Public Works Department,
Rangoon, to the Commissioner of *British Burmah*, dated the 8th day of
December 1866, with Map, if any, to be attached thereto :”

“ And, of any CORRESPONDENCE thereon between the Commissioner, the Govern-
ment of *India*, and the Secretary of State for *India* (in continuation of
Parliamentary Paper, No. 233, of the present Session).”

India Office, }
28 June 1867. }

J. WM. KAYE,
Secretary Political Department.

(*Mr. Graves.*)

Ordered, by The House of Commons, to be Printed,
5 July 1867.

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COPIES of LETTER from Captain *Williams*, Public Works Department, *Rangoon*, to the Commissioner of *British Burmah*, dated the 8th day of December 1866, with Map, if any, to be attached thereto:—And, of any CORRESPONDENCE thereon between the Commissioner, the Government of *India*, and the Secretary of State for *India* (in continuation of Parliamentary Paper, No. 233, of the present Session).

FOREIGN LETTER from India, dated Fort William, 8th February (No. 24) 1867.

To the Right Honourable Viscount *Cranborne*, Her Majesty's Secretary of State for India.

My Lord,

WITH reference to our Despatch, No. 197, dated 8th December last, we have the honour to forward, for the information of Her Majesty's Government, copy of a communication from the Chief Commissioner of British Burmah, enclosing a correspondence with Captain Williams, Executive Engineer at Rangoon.

2. Captain Williams wishes to correct the Chief Commissioner's former misapprehension of his views as to the best line for a railway connecting British Burmah with Western China.

We have, &c.

(signed) *John Lawrence.*
W. R. Mansfield.
H. S. Maine.
W. Grey.
G. N. Taylor.
W. N. Massey.
H. M. Durand.

From Captain *C. P. Hildebrand*, Officiating Secretary to the Chief Commissioner of British Burmah, to the Secretary to the Government of India, Foreign Department, No. 11; dated Rangoon, 18th January 1867.

I HAVE the honour, by direction of the Chief Commissioner, to forward copy of demi-official letter to the address of Colonel Phayre, from Captain Williams, Superintendent of Works, British Burmah, dated the 8th ultimo, bringing to notice that, in the Chief Commissioner's letter, No. 190, of the 22nd of October last, to your address, he represented Captain Williams as advocating the line of railway to Western China, from Baukatak in a north-east line, to a point on the right bank of the Salween River, about 19° north latitude.

A memorandum explanatory of what the Chief Commissioner wrote on the subject is also forwarded with this letter.

COPY of a DEMI-OFFICIAL LETTER from Captain *J. M. Williams*, Superintendent of Works, British Burmah, to Colonel *A. P. Phayre*, Chief Commissioner, British Burmah; dated Rangoon, 8th December 1866.

I HAVE read your letter, No. 190, Political, dated Prome, 22nd October last, to the address of the Secretary to the Government of India, Foreign Department, regarding the survey for a railway from Rangoon to Western China, which you desired in your memorandum, dated 23rd idem, should be shown to me.

2. In the second paragraph of your letter you remark, that I advocate the line "from Baukatak, north of Shwaygyeen, on the Sittang River, and thence *via* a north-

north-easterly direction across ranges of hills to gain the valley of the Salween River; from thence to follow the right bank of the Salween River to what is called the Takaw Ferry, in about latitude $20^{\circ} 50' N.$; and from thence to Kiang Hung, in $22^{\circ} N. L.$, near to, or on, the Great Cambodia River."

3. I much fear that this statement may do me serious professional injury, since no engineer, with any regard for his reputation, would blindly commit himself to a precise route, through a comparatively unknown country, in the absence of any reliable survey. I sincerely trust, therefore, that, in order to correct the mistaken impression which I fear your letter will have unintentionally conveyed, you will kindly forward this letter to the Government of India, and solicit that it may be appended to your letter above referred to.

4. I feel this to be of the highest importance to me, since your letter will probably be published, and its expression of my views be generally accepted as correct.

5. As I have remarked in previous letters, the object of my memorandum, dated London, 21st January 1865, was to combat the impression then gaining ground, that no direct route from Rangoon to Western China was practicable, and I endeavoured to show that, so far from such being the case, even the route marched over by Captain Watson had not been proved impracticable, and that, as a *dernier ressort*, a tramway might even be laid by that route, subject to such modifications as a survey might show to be possible. My argument was, that, in the absence of reliable survey, the project ought not to be condemned on the unprofessional examination of our track through the country; and, as this appeared really likely to happen, I was compelled in its defence to do my best to prove how insufficient were the reasons for arriving at such a conclusion.

6. The line for a tramway or railway that I have always advocated is the route from Rangoon to Kiang Hung, on the borders of Western China, by the most practicable route.

7. In my memorandum, dated 21st January 1865, I remarked that the route would commence at Rangoon, and follow "as straight a course as practicable across the north-eastern frontier of British Burmah to Kiang Tung, thence to Kiang, on the Meikong, or Upper Cambodia River." Again I remarked:—"It is well here to notice an error into which the few objectors to this direct route seem to fall, &c., viz., that it is the precise and only route suggested by Captain Sprye, particularised in one of his pamphlets, and traced in one of his maps as from Schwaygyeen to Baukatak, Thayetpyin, Kintal, &c., to the Takaw Ferry," and I further added, "that the precise route to be adopted must depend on the result of a thorough survey of that part of the country by professional engineers."

8. It is thus clearly evident that I did not consider Captain Sprye had bound himself to any fixed line, and most certainly that I did not subject myself to any such limitation in the selection of a route.

9. As I am anxious to convey to you clearly and distinctly my views on the subject, I cannot avoid making a few remarks on the course of the proposed surveys, although I fear this may not coincide with your opinion; but I have so coupled my name with the project, that it is incumbent on me to place my views entirely beyond misapprehension, and therefore I trust that you will credit my intentions even while you may differ from my opinions.

10. In your letter to Government you observe that, if the line up the Sittang valley be followed, no difficulties will be encountered until the hilly country of the Shan States. I would with all diffidence submit, that when the line has reached Yemethen, being still on the right bank of the Sittang River, so far as overcoming difficulties, all of which exist to the east of the Sittang, nothing will have been accomplished. The same water-sheds will have to be crossed from this point as from Shwaygyeen or Sittang, and also the water-sheds of the tributaries which fall into the several rivers north of Toungoo. Take, for instance, the Sittang River above Toungoo; it is supplied by two rivers, the Tsenthay and the Pongloun, the intermediate water-shed being 3,450 feet above the sea level, with a descent of 1,700 in about one mile to the Pongloun river; *vide* Mr. Fedden's Report of the Salween surveying expedition, dated 14th

August 1865. Indeed, a careful examination of Captain Watson's and Mr. Fedden's combined Report has tended more to convince me that the further north we take our departure from the Sittang River, the greater the difficulties will be, the hill ranges being not only more numerous, but if, as is supposed, they are spurs of the Himalaya, steeper and more precipitous as they approach their junction with the main range. On the other hand, as with Yoma range east of the Irrawaddy, so with the ranges east of the Sittang, they gradually dip down to the south until they finally disappear below the alluvial tract bordering on the Gulf of Martaban.

11. It is also but reasonable to assume that since the ranges run parallel to each other from north to south, a north-easterly route crossing their axes diagonally must *cæteris paribus* be less difficult than an easterly route crossing at right angles to their axes.

12. Were it merely a question of railways in British Burmah and Burmah Proper, doubtless the valley of the Sittang to Toungoo and Yemethen would be an excellent direction to take; but since the object to be obtained is to connect Rangoon with Western China by the most direct and practicable route, I cannot think any sufficient advantage is to be gained by adding 60 miles to its length, even though if ground offering peculiar facilities for railway construction, especially when there is good reason to believe that the difficulties to be met with after leaving the Sittang will be greater than the southern route. In any case the cost of constructing a road over these additional 60 miles would, there can be little doubt, be more than sufficient to overcome the greatest difficulties to be met with on the southern route.

13. All these considerations have led me to consider that the best line for the survey to follow in the first instance will be from near the town of Sittang to the Beeling Valley, ascending that till a good opportunity offers of crossing the water-shed of the Yunzalin River, and then to follow that valley and search for the easiest route over the intermediate water-shed of the Yunzalin and Salween Rivers. South of Sittang, an alluvial plain extends from the Sittang to the Beeling River; thus one water-shed will be avoided, and that below the Beeling and Yunzalin Rivers is formed by a low range of hills at the point where I propose to cross it. In this I am strongly supported by the evidence of Captain Watson, who wrote to me under date 7th ultimo, as follows: "The Beeling River is navigable for large boats as high as Panwata, and the Yunzalin as Pahpone. The road from Panwata to Pahpone is very good and level; one low range of hills close to the latter place separates the valleys of the two rivers."

By the route (*vide* accompanying sketch map*) there will be only one difficult water-shed to cross, that of the Yunzalin and Salween Rivers; and when the latter river is reached, should it be found impracticable to follow the valley of the Salween to the Takaw Ferry, the line may follow the Moby valley (in which it has been satisfactorily reported there are no difficulties to be encountered), until it reaches the point where the Yemethen line would cross. Apparently, the one serious difficulty to be anticipated in arriving at this point is the water-shed of the Salween instead of the several ranges which must be crossed by the route *via* Yemethen in arriving at the same spot.

* Not received.

15. In conclusion, I must repeat that the route I advocate for a railway is from Rangoon to Kiang Hung on the Meikong or Upper Cambodia River, by whatever line may prove most direct and practicable; while the line I recommend for the survey is from Rangoon to the Sittang River, south of the town of Sittang, thence *via* the Beeling and Yunzalin valleys to the Kaimapyoo Choung, on the Salween, then to follow alternately the Moby and Salween valleys, in search of the most convenient passage through the Shan States of Kiang Tung and Kiang Hung.

P. S.—December 10.—Since writing the above, I have seen a copy of Lord Cranborne's Despatch, dated 29th September 1866, and must observe that I am of opinion that it will certainly require two seasons to execute the survey on the scale contemplated by the Secretary of State. In my memorandum, dated 6th October last, I estimated for a river-reconnoitering survey, which, under favourable circumstances, both as to the country traversed and the length of period between the monsoon, might be performed in one season.

MEMORANDUM.

CAPTAIN WILLIAMS, in his demi-official letter to my address, dated December 8th, brings to notice that in my letter of the 22nd of October last I represent him as advocating the line of railway from Baukatah in a north-east line to a point on the right bank of the Salween River, about the 19th degree of north latitude.

2. Of course, I will not, for a moment, now dispute with Captain Williams as to what his meaning was. He has stated that I have misrepresented his meaning, and that is sufficient. I withdraw what I said.

3. But I will add a few words explanatory of why I did write what I did.

4. Captain Sprye, throughout, in his pamphlets, has advocated one line unmistakably. I need here only refer to the printed extracts which I here append. Not only do these advocate a particular line, but represent it as containing no engineering-difficulty.

5. This certainly may be the case, but I believe I may assume that neither Captain Sprye nor Captain Williams can at present prove this. What I meant to object to in Captain Williams' memorandum, dated the 21st of January 1865, was, that it proposes to reach the Cambodia River by passing Captain Sprye's "Emporium" on the right bank of the Salween, about $19^{\circ} 30'$ north latitude; but it is possible that an entirely different line, one more easy, may be found to touch the Salween, for the first time, about the Takaw Ferry. I have read Captain Williams' memorandum again carefully. I can discover no hint of the possibility of finding a "direct land route" by any other line than the Lower Sittang and its feeders. Had the proposition simply been to discover the best line for a rail between Rangoon and Kiang Hung, there would have been no room for controversy, and I should not have misunderstood Captain Williams' meaning. The very last paragraph of the memorandum appeared to me, when I wrote the words complained of, to support Captain Sprye's entire views, with, no doubt, a margin of a few miles on either side of his "easy" line.

(signed) A. P. Phayre,
Chief Commissioner of British Burmah.

Rangoon,
17 January 1867.

* * * * *

"In a country covered with forests of teak and ebony, and where elephants abound, a tram-road could be constructed and worked with the greatest facility; but it would doubtless be quickly superseded by the iron rail and the glorious locomotive. As far as we can at present see, the engineering difficulties in the way of the project appear to be few and small, so trifling, indeed, as not to be worth taking into consideration in the discussion of the question. Captain Sprye has furnished me with the following particulars of the first half of the route, which passes through country the greater part of which has already been surveyed; indeed by this time I imagine the survey is thoroughly completed:

"In order to take in chief towns and our military stations, the line would proceed thus: 1st stage. Rangoon, to the ancient city of Pegue, the intervening country being almost level; 2nd stage. From Pegue, over flat land, across the Sittang River to Shoe Gye; 3rd. Shoe Gye up the left bank of the Sittang and Kyoukkee Rivers to Baukatah, a distance of about 35 miles (lat. $18^{\circ} 08' 13''$, lon. $96^{\circ} 48' 45''$). The hills begin 12 miles from the Sittang; 4th. From Baukatah, up the left bank of that river and its tributary, the Peemablu, to Thayet-peen-keentat (lat. $18^{\circ} 21' 13''$, lon. $97^{\circ} 02' 00''$), about 35 miles, too; 5th. Across the water-shed between the Sittang and Youngsalen, which is by no means difficult, to the Kwestokee branch of the Thaiboot River, and down their right or the left banks to the Youngsalen, down and across which to Tseekameedae (lat. $18^{\circ} 25' 58''$, lon. $97^{\circ} 19' 00''$); 6th. Thence by the best valley route over the water-shed between the Youngsalen and the Salween,* and up the right bank of this stream, crossing its Khaimapye, Poenloungh-hay, and other tributaries, to our frontier line under the Karen Hill country, where we are within reach of all the Chinese and Shan caravans, which traverse the country north-east and west of that point."

* * * * *

"Of the tramway from Rangoon to the north-east extremity of Pegue, a distance not exceeding 250 miles, the entire of it will be on British territory; and the official surveys and reports which have been made of that province and of the province of Martaban since their annexation show such a work to be far more practicable than lines generally are, and

* Unnavigable on account of its rocks and rapids (*vide* Captain Briggs' *Heathen and Holy Lands*, chap. vii).

and at a very much less cost. Compared with the many really formidable and expensive works found necessary at numerous points of the Indian railways, such as the works named below,* the line through Eastern Pegue will not have an embankment, cutting, bridge, tunnel, or viaduct worthy of an engineer's thought, as calling for skill or outlay. The principal work will be to clear that part of the way which is forest. But as the timber (teak, ebony, ironwood, &c.) is of a nature admirably suited to the construction of the road, it will in itself compensate the cost of felling and preparing.

"The Hill ranges to be crossed are only two, both proceeding from the southern foot of the lofty Karem mountain territory; in the short distance between Baukatak in $18^{\circ} 8' 13''$ N. lat. and $96^{\circ} 48' 55''$ E. lon., east of the Kyouk-kee River; and a village in $18^{\circ} 26' 58''$ N. lat. and $97^{\circ} 32' 5''$ E. lon., between the most eastern of the two ranges and the Salween, which lines of hills form the two water-sheds between those rivers and the Yungsalen, running between and parallel with them.

"In the opinion of a well experienced railway engineer to whom we have submitted the maps, reports, and much other of the information which we have collected, the valleys, by which tributary streams flow into those three rivers from both sides of those two hill ranges, make the carrying a railway over them most easy.

"For such rivers, nullahs, and ravines as will require to be bridged with other material than the local timber, iron bridges can be furnished from England; and as the work will be commenced at Rangoon, where all material from England will be landed on to the railway, and the extent and other circumstances of the line admit of its being constructed in the telescopic manner through its whole length from that port to its inland terminus, the rails, bridges, and other foreign material will be easily and cheaply conveyed to the extremity of the work from the ships which bring them. Further, it will be for the consideration of the authorities of Pegue, of the adjacent provinces, and of India, whether the numerous convicts now imprisoned so expensively in their different local gaols and the Andaman Islands, may not be employed on parts of the work advantageously to the Government and to their own good.

"The direction which the line should take from Rangoon, according to our collected information, is Pegue, Shoe-gyen, Baukatak, Thayet-peen-keentat, Tseekameedac, and our most extreme northern frontier on the right bank of the Salween, subject, of course, to the result of a special survey. From Rangoon to Baukatak such survey is most easy; and as a survey is necessary from the latter place to the Salween, and our frontier for that portion of the extension of the telegraph to China, one survey, by competent parties, will suffice for the both objects."

COPY forwarded to the Public Works Department, in continuation of No. 21, dated 5th ultimo.

By Order, &c.

(signed) *H. Le Poer Wynne*,
Offg. Under Secy. to Govt. of India.

Fort William,
February 1867.

POLITICAL DESPATCH to India, dated India Office, 30th March (No. 53) 1867.

Sir,

THE letter of your Excellency's Government, in the Foreign Department, dated 8th February (No. 24) 1867, transmitting an explanation from Captain Williams of a misapprehension entertained by Colonel Phayre, regarding his views as to the route to be surveyed for a railway from Rangoon to China, has been laid before me in Council, and I approve your having directed the explanation of Captain Williams to be forwarded to the Public Works Department, in continuation of former correspondence on the subject.

I have, &c.

(signed) *Stafford H. Northcote*.

* The Bhoze Ghaut Incline, of 14 miles in length, on which upwards of 30,000 men are employed, and the cost of which will be close upon 50,000 *l.* per mile.

The Thut Ghaut Incline, of 9 miles in length, the cost of which is estimated at 45,000 *l.* per mile.

The Mong-hyr Tunnel, of 900 feet only, which will cost 60,000 *l.*

The Soan Bridge, a mile in length, the piers of which are sunk through 30 feet of sand.

The Adjee Bridge, and those over the Nerbudda, Myhee, and other rivers of their character.

The Ehegaum Viaduct, the central piers of which are 200 feet high, and the iron girders of 150 feet span. And numerous other such works, with cuttings, embankments, &c., of truly formidable dimensions for native labour.

R A N G O O N.

COPIES of LETTER from Captain Williams, Public Works Department, Rangoon, to the Commissioner of *British Burmah*, dated 8 December 1866; and, of CORRESPONDENCE thereon between the Commissioner, the Government of *India*, and the Secretary of State for *India* (in continuation of Parliamentary Paper, No. 238, of the present Session).

(*Mr. Graves.*)

*Ordered, by The House of Commons, to be Printed,
5 July 1867.*

EAST INDIA (UPPER BURMA).

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RETURN to an Address of the Honourable The House of Commons,
dated 22 March 1867;—for,

“COPY of PAPERS and CORRESPONDENCE relating to the late REBELLION in
Upper Burma, and to the Measures taken by the Indian Government for
protecting the Interests of British Subjects.”

India Office, }
2 April 1867. }

J. W. KAYE,
Secretary, Political Department.

(*Mr. Kinglake.*)

Ordered, by The House of Commons, to be Printed,
4 April 1867,

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COPY of PAPERS and CORRESPONDENCE relating to the late REBELLION in *Upper Burma*, and to the Measures taken by the Indian Government for protecting the Interests of British Subjects.

(Foreign Department.—Political.—No. 142.)

The Governor General of India in Council to the Secretary of State for India ;
dated 17th August 1866.

WE have the honour to forward, for the information of Her Majesty's Government, copies of two telegrams received at Simla on the 11th instant, reporting the occurrence of an insurrectionary outbreak at Mandalay, in Burmah.

2. We had no reason to anticipate any such event, nor have we any further information on the subject than that contained in the enclosed papers. The detailed account expected from the Chief Commissioner of British Burmah will, on its receipt, be communicated to your Lordship.

SERVICE MESSAGE.

From Rangoon, dated the 8th August 1866.
From Colonel Phayre.
To Simla.
To Secretary to Government, Foreign Department.

Precedence.—On the 2nd instant an outbreak occurred at Mandalay. The King of Burmah's brother is killed. Several men of rank also ; the King apparently helpless, but it may be in his interest. No fear for British subjects or interests, but if necessary, I will go to the frontier to be ready to do what circumstances may require.

SERVICE MESSAGE.

From Calcutta, dated the 11th August 1866.
From Mr. Wheeler.
To Simla.
To Honourable Mr. Muir.

Precedence.—I have just received the following telegram from Major Repley at Thayetmyo :—On 2nd August two sons of the King, named Mengbon Metha and Myenkhandyne-Mengtha, rose with a few followers and killed the War Prince, the Malong Mengtha, and his brother, the Tsagoo Mengtha. The King is confined in the palace: the rebels are in possession of all the principal towns on Irrawaddy. Captain Sladen and Europeans have not been interfered with.

(Foreign Department.—Political.—No. 154.)

The Governor General of India in Council to the Secretary of State for India,
dated 31st August 1866.

IN continuation of our Despatch, No. 142, dated 17th instant, we have the honour to forward, for the information of Her Majesty's Government, copy of a letter and of its enclosures from the Chief Commissioner of British Burmah, giving a detailed account of the insurrection at Mandalay, together with a copy of the instructions which we have consequently deemed it expedient to issue.

(No. 183.)

From Colonel *A. P. Phayre*, c.b., Chief Commissioner and Agent to the Governor General, British Burmah, to the Secretary to the Government of India, Foreign Department, with the Governor General; No. 142-30, dated Rangoon, the 14th August 1866.

I HAVE the honour to submit, for the information of his Excellency the Viceroy and Governor General in Council, copies of letters to my address, as per margin, from Captain E. B. Sladen, Agent to Chief Commissioner at Mandalay. From these it appears that on the 2nd instant, about mid-day, a sudden outbreak occurred in the King's palace at Mandalay. The King's brother, the Crown Prince or declared successor of the King, was killed; two of the King's sons were killed, also one of the Woongyees or ministers of State, and one severely wounded.

1. From Captain Sladen, Agent to Chief Commissioner at Mandalay, dated 5th August 1866.

2. From Captain Sladen, Agent to Chief Commissioner at Mandalay, dated 7th August 1866.

3. From Captain Sladen, Agent to Chief Commissioner at Mandalay, dated 11th August 1866.

2. The leader or instigator of this outrage was a son of the King's by one of the Queens of inferior rank, having the title of the Myeengoon Prince, and his own younger brother, the Myeengoon-daing Prince. It has long been surmised that the King's sons, who are numerous by several mothers, were desirous of ridding themselves of their uncle, the Crown Prince. The most daring of them, the Myeengoon Prince, headed the present outbreak; he is about 20 years of age. It occurred in a temporary palace outside the city, two or three miles distant from the regular palace. It appears that the Crown Prince and the woongyees were seated in the usual hall of assembly, when a party of armed men rushed in and attacked them. The Crown Prince was at once killed, and also one of the Woongyees. Two of the King's sons, the Maloon Prince and his brother by the same mother, the Isagoa Prince, were also killed, but where does not appear; they are by a different mother to the leader in this insurrection. The King appears to have escaped on foot to his palace in the city. Captain Sladen and Dr. Williams were in the temporary palace at the time, and barely escaped with their lives from the infuriated wretches who perpetrated the massacres.

3. It seems that the Myeengoon Prince and his brother followed up the King to his palace, apparently to gain possession of his person. He, however, was safe therein, and was able to defend it; he still remained so up to the (7th) seventh instant.

4. The Myeengoon Prince and his brother took possession of one of the King's steamers and went down the river to the town of Magway, which is about 80 miles beyond our frontier; he there has raised a force with the intention of marching up to the capital. A very important person escaped the massacre, that is, the Padeng Prince, the eldest son of the murdered Crown Prince. He has gone to Mot-tsho-bo-myo, about 50 miles north-west of Mandalay, intending to raise a force there. Apparently the fight will be between him and his cousin, the Myeengoon Prince.

5. The position of the King as regards his late brother, the Crown Prince, was, that the King felt under obligations to him for the support he gave when the King himself ascended the throne; he then at once was declared heir apparent.

apparent. Since the King's sons came of age, they have been placed entirely under the Crown Prince, and have openly complained of his harsh treatment. It is understood that it is this grievance which the Myeengoon Prince now puts forth as an excuse for his conduct. He says he has no wish to injure his father or to seize the throne. It may be concluded, however, that the murder of the Maloon Prince was with reference to his being the favourite of his father, and his probable succession to the throne if anything happened to the Crown Prince.

6. On the 12th instant a confidential messenger arrived at Rangoon bearing a short note from the prince to my address; the contents were as noted in the margin. The messenger informed me that his master, the prince, had been driven into this outbreak by the tyranny of his uncle; that the murder of his two half-brothers, the Maloon and the Isagoo Princes, was the unauthorised act of subordinates during the confusion; that he had no intention of dethroning his father, but that he desired the two steamers belonging to the King which are now at Rangoon. I informed the messenger that I had no authority over the steamers, and that without a direct letter from his Majesty, I could give no order to those in charge of them. I also replied to the prince's note, and beg to submit a copy thereof. In the same cover I wrote to the King, merely stating why I had not given any instructions to the steamer. It is doubtful if this letter will be delivered.

"The Royal son of his Majesty the King of Burmah informs the Chief Commissioner that he herewith sends his Treasurer to speak on various subjects."

(True Translation.)

(signed) A. P. P.

7. I took the opportunity of referring to my intended visit to the capital, and announced my intention of proceeding to the frontier station of Thayetmyo to wait a reply to my letter. I thought it well to do this in case an opportunity should appear for my going, because at such a juncture any one who has succeeded to power will probably be desirous of coming to a good understanding with the British Government; but I will be very cautious as to who I negotiate with.

8. At the time that this outbreak occurred there was fortunately at Mandalay the steamer "Nerbudda," formerly belonging to Government, and now the property of Messrs. Todd, Findlay, & Co. From Captain Sladen's letter of the 7th instant it will be seen that the King had insisted on making use of the steamer "Nerbudda" against the rebel troops, and had taken possession of her. Captain Sladen determined, with the assistance of all the European residents, to retake possession of the steamer and come away. This plan was carried out, and notice having been given, nearly all the European, Armenian, and other foreign Christian inhabitants of Mandalay embarked on board; about six or seven Europeans have remained behind. The steamer reached Thayetmyo on the 11th instant; she is now on her way down the river to Rangoon. Captain Sladen's despatches were sent on by light boat, and reached me this morning.

9. I have nothing to add, except that I have taken precautions to guard the frontier against marauding parties, and I propose to proceed to Thayetmyo in a few days more in order to adopt such further measures as may appear necessary.

(No. 184.)

COPY of a MEMORANDUM from Colonel A. P. Phayre, C.B., Chief Commissioner; dated Rangoon, the 13th August 1866.

THE Chief Commissioner informs the Royal son of his Majesty the King of Burmah that he has received the letters sent by the hand of the Shivedaik-tso. The Chief Commissioner having a deep respect for his Majesty, and viewing the Treaty which exists between his Majesty and his Excellency the Viceroy of India, cannot give any instructions to his Majesty's steamers which are now at Rangoon without a direct letter or order from his Majesty. The Chief Commissioner is already under a promise to proceed to the Royal City, and will in a few days go up to Thayetmyo (langyoung), and will there await a reply to this letter from the Royal son of his Majesty the King. The Chief Commissioner will come as a true friend, and he encloses a letter for his Majesty, which the Royal son is requested to forward.

INSURRECTION took place about Mid-day on Thursday, 2nd instant.

COPY of a LETTER from Captain *E. B. Sladen*, Agent to the Chief Commissioner at Mandalay, to Colonel *A. P. Phayre*, c.b., Chief Commissioner of British Burmah and Agent to the Governor General; dated the 5th August 1866. 8 p.m.

THERE is just a chance of my being able to send off a few lines. Thank God, we are all safe. There has been a fearful revolution. Crown Prince and three of King's sons murdered, together with several officials, including Myadounge Mengyee, Loung Shoay Mengyee (not dead yet), Kenwoon, &c. The King escaped from San-nan-dan on foot, with two or three principal Queens, to the city palace. I was in the palace talking to the King when the first burst was made into the palace by the rebels or revolutionists, headed by the two Princes Myeengoon Mentha and Myeengoon-daing Mentha (brothers). The Soopiah Queen rushed into where the King was talking to me and drew the King away. The noise and confusion became terribly perplexing. The King's men were taken entirely by surprise. The few near me managed to get a few arms; we shut the doors of the portion of the palace where we were, but after the lapse of about 10 minutes the rebels, with drawn swords, broke open the door and came rushing upon us. There was a general flight. Williams was with me; we followed in the flight, and after scaling, or almost vaulting over a high partition, we found ourselves amongst a host of drunken, frenzied devils, brandishing their dhaos and coming at us; we were entirely at their mercy, and our very helplessness and something which cannot be accounted for, stayed the attack; we were threatened, and dhaos held over us several times. One of the brutes, who more than once seemed to be on the point of despatching us, was carrying in his hand the Crown Prince's head. We were at the time in the Myanan, or front portion of the palace, which was occupied by about 50 of the rebels.

The rebel Menthas escaped the same night on board Captain Reilly's steamer, after looting all they could. The present state of affairs is most serious.

The King is in his palace, and exertions are being made to bring about order; all is pretty quiet, but it is only a lull before the storm. The Padyne Mentha (Prince's eldest son) has escaped with the Thouzay Mentha. The former has been offered the heir apparentship, but will not come in. The city gates are shut. I have seen the King to-day; he was calm and spoke well. Mandalay is deserted. The Amhoodans in numbers are reported to have fled with their arms. It is impossible to predict what will next take place, but there will be anarchy and disorganisation for a long time. No "Kullah"* has been hurt or robbed. My compound and home have been a rallying point and protection to many hundreds. I have detained the "Nerbudda," which had left this, but recalled from Saggrie. There is very little chance of this ever reaching; all boats will be stopped and searched. I will not trust my other correspondence; not a boat is to be had which will leave for Rangoon; most of the boats have cleared off and keep out of the way. A private boat is said to be going which will take, or try and take, this as far as Thayetmyo. I will not add more.

* Foreigner.

COPY of a LETTER from Captain *E. B. Sladen*, Agent to the Chief Commissioner at Mandalay, to Colonel *A. P. Phayre*, c.b., Chief Commissioner of British Burmah, and Agent to the Governor General; dated the 7th August 1866.

THE boat I am sending is about to start. I have given the man formal papers of my own; they are worth more at present than any one else's, I believe.

Yesterday the prince's palace was completely burnt down, and another fire took place in the south portion of the city; this is a bad sign. The Mengyee has sent me a guard of 20 men. All apply to come to me for protection, Burmese and Kullahs alike. Yesterday even the Myawon sent and asked me to allow his female kind to sleep here. It is reported that the Phoongyees and others sent by the King yesterday to the Padyne Mentha, have returned to say that the Prince will not come in. This is very likely I think. The King wants me to lend him the "Nerbudda" steamer. I shall see him to-day. I think I have got back one of my ponies, and shall probably find the others.

8th August.—I went to the King yesterday. Williams had been sent for before me, and asked for the "Nerbudda." He said that he had given her over to me. The King asked me to give her up. I replied that if he would guarantee the safety of European residents, I would willingly restore the steamer to the same source from which I had received it. The King would give no guarantee, but said the steamer was wanted for the good of his country generally, at a time of great need. He offered the same protection to foreigners as to all others of his subjects. He was so urgent that I could not refuse, but pointed out the special circumstances under which I had detained the vessel, and made it as clear to him as I could, that he would be responsible if he took the steamer; that those circumstances were kept in view. He assented generally, and I agreed to deliver back the steamer to the agent, Dr. Williams. We were then directed to settle matters with the Mengyees. No settlement could be come to. Williams held out on pecuniary grounds. The Pakhan Mengyee said that my preliminary condition with the King, viz., the protection and safety of the lives and property of foreigners, could not be guaranteed, so that after three hours' fruitless

fruitless negotiation, the steamer was not given up. But late the same afternoon, Mr. Camaratta, Mr. Gallisteen, and a Sayey Danyee came to my house, and said the King had ordered that the steamer was to be taken possession of, whether I delivered it up or not. Men and guns were sent to be put on board in haste. I agreed to deliver over without resistance, but under compulsion, on receiving direct from the King a written aminedan, stating the reasons for the seizure. Late in the evening the King's men (about 20) went on board and took quiet possession; the captain and crew of the steamer remaining on board, but subject to the direction, for all purposes of navigation, of a Burmese official of the rank of Bo-men. This act of the King has rather complicated the position of foreigners in their relation to the Burmese government and the insurgent party. The King said that the steamer was merely wanted to cruise about and carry troops backwards and forwards, but I fear she may be used offensively, in which case, however much the facts may be to the contrary, shall appear to be in favour of the King's government. I am anxious on this account, as well as because matters are becoming more serious here daily. The Padyne Mentha is reported to be very strong, and is marching towards the capital from the Shoay Bo. Most of his father's men are with him, and will listen to no proposals short of an offer of the Crown. Two other Menthas are out still, and have collected separate forces. Incendiary fires are of frequent occurrence; I am warned on all sides to be prepared for the worst; not that either party would injure us under authority, but because the lawless bands which spring up on these insurrectionary occasions are in general uncontrollable. Almost every one that could has come to me for protection, or sent his property. The Myawon came himself after midnight last night, and said I ought at once to remove; he was sent, I think, for that purpose. The steamer is gone, and I am in a fix. I have acted throughout for the best. The confusion is general; I can hardly find a moment in which to write. The King's man, who always comes to me, thinks the King will abdicate, and tells me I ought to be out of the way till affairs have settled down; even if the Padyne Mentha succeeds, the Thouzay and Nyoun-yan Mentha will be troublesome for a time. No news as yet of the Myeengoon Mentha, who commenced the mischief. How long will it be before the Shans, too, come into the field? I have a pass from the Mengyees to send a boat; I hope it will go at once.

We are all well.

I will write again as soon as I can. No dāk from Rangoon.

COPY of a LETTER from Captain *E. B. Sladen*, Agent to the Chief Commissioner at Mandalay, to Colonel *A. P. Phayre*, C.B., Chief Commissioner of British Burmah, and Agent to the Governor General; dated, Steamer "Nerbudda," the 11th August 1866.

WE shall be at Thayetmyo this morning. I tried to despatch letters from Mandalay, but found it impossible. My letters already written give you information up to the day of my departure from Mandalay. The immediate cause which made me determine to leave was that the King, after seizing the "Nerbudda," had, contrary to promise, used her offensively against the Prince's troops, and killed a number of those who were crossing in boats a few miles north of Mandalay. On the steamer's return after this exploit, and after learning what had occurred, I consulted with most of the European residents, and it was unanimously agreed upon, as our only means of escape, to retake possession of the steamer as soon as possible. We effected this the same evening without any trouble; before going on board notice was given that the steamer would leave the same day, and I informed all within reach that they were at liberty to come on board, if so inclined. The consequence is, that most of the European and Armenian residents, with their families, are with me, including Father Abbona, Mrs. D'Avera, Dr. Williams, &c. &c. There are a few who remained behind, but who had the opportunity of coming had they availed themselves of it. But, apart from the fact of the King's having seized the steamer, there were many reasons which I consider justified my leaving Mandalay for a time; I was advised to do so even by Burmese officials. I was of no use there, and whichever party became finally ascendant, affairs must remain unsettled for many months. The Padyne Mentha was about to make an immediate attack. Four other Menthas were out, and were each collecting forces. The King's people were ready to desert him. The city had commenced to be fired, and looting was going on. The opportunity occurring of being able to get away with the families of the numerous residents who crowded my house and compound from the first day of the insurrection was one which I thought it well to avail myself of, as it was not likely to happen again for a long time. All along the river, as we came down, parties of armed men are to be seen moving about in various directions, and each, probably, espousing a separate cause. The prime insurrectionist, the Myeengoon Mentha, is in great force at Magway, and has got the steamer "Yaynan Sekia" there; he has taken Mentha, and holds the country from Magway to our frontier. When we passed Magway yesterday, he sent a boat towards us with only a Lascar crew. He would not allow Captain Reilly to accompany the boat; but Reilly was well, and apparently well treated. The Mentha had given out that he wished the English to join him, and go up and conquer the country; that if they would not join him, he would proceed himself single-handed: of course, he will not succeed, though he seems a plucky, determined fellow, with some idea of organization, but thoroughly unscrupulous. He got a quantity of treasure at Mentha. I give up the steamer as soon as

we reach Thayetmyo, and I do not know what Dr. Williams intends doing with her. I shall telegraph to you for orders, and be ready to go back, if you think it advisable, with my family.

The night we left Mandalay a large fire was burning there, and the next morning large heavy clouds of smoke, seen from a great distance, seemed to say that the work of destruction had commenced. I have not up to the present been able to write any official letter or reports, but they will be sent in due course. We are very crowded on board, and there is not any chance of getting a quiet moment for letter writing. I have left everything I possessed at Mandalay, with the exception of a few clothes and other articles, which could be saved at a moment's notice.

Thayetmyo, 10 a.m., 11th August.—We arrived here this morning. I have telegraphed to you for orders. This place is safe as regards the Myeengoon Prince, I think; he has written to you, I hear, and sent for the King's two remaining steamers. The Myeengoon Prince will probably expect all who pass up to swear themselves as his subjects; but he is very well inclined towards Kullahs, and has ordered that they, or their boats and property passing up and down, are not to be molested. I do not see what we can do beyond watching events. I am prepared to return, now that all the families are in safety, and report all that occurs, besides keeping open communication with the frontier. If this is decided upon, a steamer with a strong escort would be required; otherwise, it may be the most prudent course to await events, and see whether, and in what way, the country becomes settled, or still further disorganized.

I have given over the steamer to Williams, and am not sure when he intends despatching her to Rangoon.

Lonsdale has got a despatch-boat, and I am going to send this off at once. Camaratta sent all his valuables on board, but did not come himself. Major Halsted is left behind, and two Americans, though I gave them timely notice of my intended departure. I will not write more just now.

P.S.—I forgot to say that on the day of the insurrection the rebel Menthas, after looting the San-nan-dan, and killing all whom they came across, followed the King to the city palace, to which they laid siege. They were in the outer enclosure, and fired guns to break open the inner gate; they had possession of all the approaches to the palace, and only left after midnight, when driven out by the Prince's troops.

Captain Reilly came to me at about 2 a.m., and said that the rebel Mentha had sent a man to say that he intended coming on board. Captain Reilly asked my advice; I said that, unless under compulsion, or under immediate fear of his life, he would be wrong to take the Prince on board. The Prince, as far as I can learn, went on board with 200 or 300 armed men, and resistance on Captain Reilly's part would have been altogether ineffectual. The Mentha then wrote to me from the steamer, and ordered me to discharge the cargo from the "Nerbudda," and send her down to him!

(No. 185.)

From the Secretary to the Government of India, Foreign Department, with the Governor General, to the Chief Commissioner of British Burmah; No. 891, dated Simla, the 29th August 1866.

I AM directed to acknowledge the receipt of your letter No. 142-30, with enclosures, giving a detailed account of the insurrection at Mandalay.

2. The Right Honourable the Governor General in Council considers that, under the circumstances with which Captain Sladen had to deal, that officer acted rightly in retiring from his post at Mandalay, and bringing down with him into British territory as many of the European and Armenian residents of the city as chose to embark in the steamer "Nerbudda."

3. His Excellency in Council also approves of the manner in which you met the advances made to you by the Prince at the head of the insurgent faction in respect of the two steamers at Rangoon belonging to the King of Burmah. It is satisfactory that precautions have been taken to guard the British frontier against marauding parties, and your intention to proceed to Thayetmyo is undoubtedly judicious.

4. Whether from Thayetmyo you should go on to Mandalay is a question which the Governor General in Council leaves entirely to your own discretion. Probably it may be well that, until affairs have somewhat settled down in Burmah, you should wait at Thayetmyo and watch the progress of events. Should you, however,

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however, be satisfied of the expediency of an advance to Mandalay, his Excellency in Council, having full reliance on your judgment and prudence, will approve of the step; and in that case you are authorised to hire a river steamer for the journey.

(Political Department.—No. 82.)

The Secretary of State for India to the Governor General of India in Council,
dated 17th October 1866.

I HAVE perused with much regret the letters of your Excellency's Government noted in the margin,* informing me that there had been an attempted revolution of a sanguinary character at Mandalay, and that the brother (the Crown Prince) and two of the sons of the King of Burmah had been murdered by insurgents, said to have been instigated by the other sons of the King by a different mother.

* Foreign Letter, dated 17th August 1866 (No. 142.)
" " 31st " " (No. 154.)

2. It appears that the representative of the British Government, Captain Sladen, was in the palace at the time of the outbreak, and narrowly escaped with his life.

3. As the result of this revolutionary movement is as yet unknown to me, I can express no other opinion in this Despatch than that I concur with your Excellency's Government in considering that in "the circumstances with which Captain Sladen had to deal, that officer acted rightly in retiring from his post at Mandalay, and bringing down with him into British territory as many of the European and Armenian residents of the city as chose to embark in the steamer "Nerbudda," and that the Chief Commissioner had exercised a sound discretion in not identifying himself with either of the contending factions, but in quietly watching the progress of events, and providing for the security of the British frontier.

4. This revolution is all the more to be deplored, as I observe from your letter of the 31st of July that Colonel Phayre was to have proceeded to Mandalay in September, with the object of maturing arrangements whereby fuller effect might be given to certain stipulations of our commercial treaty* with Burmah.

I have, &c.
(signed) Cranborne.

(Foreign Department.—Political.—No. 161.)

The Governor General of India in Council to the Secretary of State for India,
dated 21st September 1866.

In continuation of the correspondence forwarded with our Despatch, No. 154, dated 31st ult., regarding the insurrection at Mandalay, we have the honour to transmit, for the information of Her Majesty's Government, copies of further reports* from the Chief Commissioner of British Burmah, together with a transcript of our reply.†

* Dated 25th August 1866, No. 143-31.
Dated 27th August 1866, No. 150.
† Dated 14th September 1866, No. 936.

From Colonel A. P. Phayre, c.B., Chief Commissioner and Agent to the Governor General, British Burmah, to the Secretary to the Government of India, Foreign Department, with the Governor General, Simla; No. 143-31, dated Rangoon, the 25th August 1866.

I HAVE the honour to submit, for the information of his Excellency the Viceroy and Governor General in Council, copy of letter to my address, No. 30, dated the 22nd instant, from Captain Sladen, Agent to the Chief Commissioner at Mandalay, containing a complete Report of all the events which

* See Parliamentary Papers, No. 327, of Session 1863, and No. 300, of Session 1864.

which occurred on the occasion of the insurrection in that city on the 2nd instant.

2. It will not be necessary for me to recapitulate any of those events. Shortly before the outbreak occurred, the steamer "Nerbudda," belonging to the firm of Messrs. Todd, Findlay & Co., had left to proceed down the river to Rangoon. When the outbreak occurred, she was recalled on the requisition of Captain Sladen. This, I think, was a necessary measure with reference to the necessity of providing for the safety of British subjects and others, especially of women and children and their property.

3. After the vessel had been brought back to Mandalay, the King of Burmah in his extremity seized her, or rather she was given up to him by order of Captain Sladen. But as she was at once employed against those who were in rebellion, Captain Sladen considered it right to take possession of the steamer again, so that the British flag might not be seen engaged in the contest. At the same time it was determined that all the European and other Christian inhabitants, being Armenians and others, should leave. The steamer was taken possession of with much tact and good management, and all who chose to do so embarked in her. A few Europeans still remained behind. No opposition whatever was offered to the passage of the steamer down the river.

4. Captain Sladen, in the concluding paragraphs of his letter, recommends that he should at once proceed in a steamer to Mandalay to resume his post as Agent to the Chief Commissioner, to rescue the captain, a British subject, and others, of one of the King's steamers, and afford protection to those Europeans, or those of European extraction, left at Mandalay. Captain Sladen also asks for a personal escort.

5. I consider that the immediate return of the Agent after having once withdrawn, and before there has been a struggle and decisive issue between the contending parties, might possibly lead to some collision with one or other of them *en route*. If the Agent were once safe in his house at Mandalay, or in some building there not readily inflammable, I feel satisfied he would be perfectly safe, except from the attacks of plunderers, which there would probably be no difficulty in resisting. We may be certain that none of those who are contending for mastery, either the King's party or the rebels, would wish to injure any foreigner. But the appearance of a British steamer, which it might be supposed had come to take one or other side, would probably excite resentment. Under these circumstances, therefore, I think it better not to attempt to go up until we hear either that the King has regained his power, or that affairs have so far settled down that the danger of any misunderstanding is reduced to a minimum. I propose to go up to Thayetmyo to wait there for any favourable opportunity of proceeding up in order to renew communication with the Burmese Government. But if his Excellency, the Viceroy and Governor General in Council, considers that I should proceed at once, or that Captain Sladen should go alone, I solicit the favour of being so instructed by telegram.

6. I have received more than one application as to compensation for losses of property, either actual or anticipated. These are grounded, first, on loss of property by abandonment consequent on the British Agent leaving Mandalay; and second, on destruction of property in the city by rebels, for which it is claimed that the Burmese government is responsible. There will also be a claim for compensation on account of the services of the "Nerbudda" steamer for detention and bringing away people at the requisition of the agent.

7. I will not now enter upon this subject, but request instructions as to whether I shall receive such applications, and make full inquiry as to the circumstances and amount of loss in each case. I also request instructions as to whether, in the event of the King regaining his authority, or a new King succeeding, I should bring this question before his Government.

EXTRACTS from LETTER from Captain *E. B. Sladen*, Agent to the Chief Commissioner, British Burmah, and Agent to the Governor General, to Captain *C. P. Hildebrand*, Secretary to the Chief Commissioner, British Burmah; No. 30, dated Rangoon, 22nd August 1866.

I HAVE the honour to report generally upon the late political revolution at Mandalay.

2. I propose to lay before the Chief Commissioner a detailed statement of the principal circumstances connected with the revolution, and to point out, with reference to the circumstances themselves and the various incidents or contingencies arising therefrom, the several causes which influenced my determination to leave the capital, and by undertaking a heavy personal responsibility myself, afford the only means of protection then at hand to many whose lives at the time were felt to be more or less in very imminent danger.

3. At about noon, on 2nd instant, the Myeengoon Mentha and his brother, the Myeengoon-daing Mentha (both sons of the King), entered the summer palace with about 30 well-armed followers. Immediately on coming within the palace enclosures swords were drawn and a rush made into the Hlot (High Court), in which the Woongyees, and other high officials, with the Crown Prince as President, were holding council; the Myadoung and Loung Shoay Mengyees were immediately attacked and cut down; the Pakhan Mengyee escaped by climbing over a partition which led into the inner inclosure of the palace; the Crown Prince escaped out of the Hlot, and was making his way to the outer gate of the palace when he was met by a party of the revolutionists, cut down, and instantly killed. The orders given by the rebel Mentha at this time were, that all Burmans who wore white turbans, and were dressed in the long official white jacket, were to be promiscuously attacked and murdered.

The slaughter in and about the Hlot was the work of a moment. So great was the panic and consternation occasioned by the bold and sudden ferocity of the attack, that before any resistance could be made, or even the interior gates of the palace closed, the rebel princes and their party, joined by this time by those inside the palace who were in the plot, rushed into the inner enclosure of the palace by the grand eastern entrance, and in a few moments penetrated the palace itself.

I happened to be on duty myself at the palace, and was talking to the King at the very time the rush was made into the palace building. I was roused to a sense of some impending danger by hearing a sound as if of many men running in haste over the boarded floor of the palace; at the same time one of the principal Queens (the Myouk Namadan) ran towards the King from an inner apartment in violent haste, and cried out, in evident distress and excitement, to the King, to get up and follow her, as rebel princes had entered the palace.

The King got up at once and disappeared inside: he is reported to have remained in the summer palace only a very few minutes, when he left on foot with two or three of the principal Queens and only a few followers, and proceeded direct to the large palace within the city walls.

The rebel princes had by this time obtained full possession of the palace, which was more or less given up to plunder; but learning that the King had escaped, they withdrew their men and went in pursuit to the city palace, which they reached only a few minutes after the King had arrived there himself.

Some of the King's troops had now rallied about him; the gates of the large palace were closed, and an attack upon the palace itself was commenced by the rebel party, which lasted till after midnight.

4. I will now relate, as briefly as I can, some of my own experiences on this eventful day.

When the King got up and left the apartment in which I had been conversing with him, I remained with only a few Burmese officials who had been present at the conference. Dr. Williams was also present, and had been taken by me before the King to arrange matters of business, which will be reported in a separate communication. Our position was a very critical one; parties of rebels were penetrating different portions of the palace, and after the lapse of a few

minutes, a rush was made by rebels carrying drawn swords up a staircase and over a portion of the wall adjoining the apartment in which we were stationed. The King's officials fled, and climbed over a high wall or partition on the opposite side to that over which the rebels were effecting an entrance. I followed them, accompanied by Dr. Williams, and after climbing the partition, and dropping down on the other side of it, we found ourselves in the Myanan, or large entrance hall and vestibule of the palace, running north and south along the whole front of the palace, and facing the large eastern gates of the palace. This place was filled with armed rebels, who ran towards us sword in hand, crying out, "Cut them down!" Most of the men carried a naked sword in each hand. Many of them were stupefied and frenzied by drink and excitement: one of them, who came up and held his sword over us in the act and attitude of delivering his stroke, carried in his left hand the gory head of the Crown Prince, who had just been murdered; still we remained unharmed. An unaccountable power stayed the hands of those who, having already tasted deeply of blood, may fairly be said in their mad excitement to have been far beyond the control of either reason or thought. The men near us danced about with threats, those at a distance brandished their swords in defiance, and altogether the escape from immediate death seemed indefinitely remote; we remained perfectly quiet, and the cry of "Cut them down!" was now changed to "Be quiet or die."

The man who carried the gory head was the chief of the party, and was styled "Bo Men." At one time an order was given to fire upon a Burman outside who had made an attempt to cross the open area in front of the Myanan in which we were: muskets were levelled. At some personal risk to myself I got up from where I was, and called to the chief by his title, "Bo Men;" he was evidently pleased at hearing me recognise his assumed honours, and answered me civilly. I said, "Do not fire; it will alarm those inside." "Very well," he replied, "but who are you?" "I am an Englishman; give me a sword or musket, or something to fight and defend myself with." "Are you," he asked, "on the side of Kodan Myat Pyah (the excellent lord)?" "Certainly I am." "That's right; I am glad of it."

It is needless to remark that during this conversation I was fully under the impression that the "Bo Men" and his party were fighting on the side of the King. We remained in this situation as close prisoners for nearly half-an-hour, and could only move at the risk of our lives. At the end of this time a number of troops (said to be Crown Prince's men) effected an entrance into the palace by the eastern gate and approached the Myanan, in which we were prisoners under the rebel party. But my surprise was great when I saw that the Prince's troops who had just entered and the rebel troops who were already in the Myanan, instead of opposing each other, seemed to coalesce and arrive at an understanding to be mutually forbearing.

One of the Prince's officers recognised me, and said we might leave the palace as soon as we could. On descending from the Myanan we were joined by a Mr. Calogreedy and Mr. Marcar Abraham, who had been prisoners in another portion of the palace, and were now making their escape.

Mr. Calogreedy, at the first rush of the rebel party into the palace, was standing near the inner gateway; he was rescued whilst in the act of being cut down by the rebel Myeengoon Mentha himself, who gave orders at the time that foreign residents were not to be injured.

On reaching the Hlot we discovered the dead body of the Crown Prince lying on the road entirely uncared for, and much mutilated by sword-cuts; the head had been cut off and carried away: just outside the outer palace gate were the bodies of three of the King's sons, including that of the Melloon Mentha, the King's eldest son, a prince of much promise.

The scene of slaughter on all sides was a reality hardly to be realised at the time from the sudden and almost mysterious manner in which all had occurred.

We left the palace in the midst of armed troops, whom it was difficult to recognise as being either friends or foes; in fact, the troops themselves at the time, in the confusion and uncertainty they were in as to the nature or results of the morning's operations, hardly knew what they were to do, or whose cause was to be espoused.

Our ponies, which had been left outside the palace gates on our arrival, had been forcibly seized and ridden off with by some of the rebel party; so we were obliged to proceed on foot, mixed up with the rabble party of troops above de-

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scribed. We were unmolested in any way, and reached our respective homes in safety.

5. The King was besieged in his city palace by the rebel Prince's party from mid-day on 2nd instant until about 3 a.m. on the morning of the 3rd, when a strong detachment of the late Crown Prince's troops succeeded in driving the rebels out of the palace altogether. The rebel princes, with about 200 followers, proceeded to the river and took forcible possession of the King's steamer, "Yaynan Sekia," which was at the time moored to the bank.

6. Captain Reilly, in command of the steamer, had been previously warned by a messenger sent by the Myeengoon Mentha that the steamer was required, and that he was to be in readiness, under pain of immediate death, to receive the Prince and his followers, and steam away with them from Mandalay. Captain Reilly came to my house at about 2 a.m. to consult me as to what course he should pursue. I told him that his duty appeared to me to be to remain in command of his steamer, and to take no part with the Prince, either in the shape of negotiation or co-operation, unless under a state of compulsion which immediately threatened his life. Captain Reilly returned to his steamer, which was soon afterwards taken possession of, as above described.

7. Early in the morning of 3rd instant a letter was brought to me by Captain Bacon, commanding the steamer "Nerbudda," which he said had been given to him for delivery by Captain Reilly; the letter bore my address in English, but its contents were in Burmese, and conveyed a written order to me from the rebel Myeengoon Prince to unload the "Nerbudda" and send her down to him as soon as possible.

8. The Myeengoon Prince had proclaimed on board the steamer "Yaynan Sekia," previous to leaving Mandalay, that he was proceeding to Rangoon with the express purpose of handing over Upper Burmah to Colonel Phayre as representing the British Government.

9. The steamer "Nerbudda," which I have just referred to, had only arrived at Mandalay early on the morning of 3rd instant, a little before the rebel Myeengoon Prince left in the "Yaynan Sekia." She had started from Mandalay the day previous (2nd instant) with the intention of proceeding to Rangoon; but immediately after the occurrence of 2nd instant, I had arranged, in concert with Dr. Williams, who was the agent for the steamer at Mandalay, that she should be recalled and detained at my risk and responsibility as a means of protection in case of actual need (*vide* letter attached, No. 28, of 3rd August 1866). I may here remark, that this detention of the steamer caused very general satisfaction and comfort to the European community at large, and even to numerous Burmese traders, who flocked to me for advice, and eagerly demanded to be admitted inside my enclosure in order to ensure for themselves, as they said, protection.

10. It appeared to me a rather peculiar feature in a Burmese insurrection or revolution that Burmese subjects should so generally have applied to me for help and protection, and that they should have felt themselves so comparatively secure when once they had removed themselves and families within the limits of my house or into my compound.

It tended to show very unmistakeably that the English name and prestige had gained for itself a wonderful moral influence over the minds of even poor (and on ordinary occasions) apathetic Burmese subjects, and that occasion alone was required to call forth a ready and cordial manifestation of this influence; for, after all, I was without the means of help or assistance myself, and the support and protection which it was in my power to afford was merely nominal, and, when the crisis arrived, might in all probability have been found valueless or altogether ineffectual. Still, from 2nd instant, the date of the outbreak, until the 8th, when I felt myself bound to abandon my post at Mandalay, my house and compound were the common refuge and abiding place for all Europeans, Armenians, and Burmese alike, who had any claim to admission. The house was given up almost entirely to the families of Europeans who required it, and property valued at several lakhs of rupees, besides large quantities of specie, were deposited in and around, wherever an available corner could be found.

11. On 3rd and 4th instant all remained quiet both within and without the city, with the exception of small bands of lawless adventurers, who prowled about here and there with plundering intent. The city gates were shut, and exit and entrance alike forbidden to all who were not officially deputed on duty from inside. The whole of the suburbs appeared almost deserted, the greatest portion of the population having removed themselves, according to custom, to hiding places, or places of shelter beyond the reach of lawless troops or marauding bands of robbers.

12. On the morning of 4th I made an attempt to get into the city and palace, in order to hand over the Pyee Mentha (a nephew of the King), who had narrowly escaped being put to death at the time of the outbreak, and had fled to me and asked for protection until affairs had settled down a little. I was refused admission into the city, but managed to send a verbal message to the Pakhan Mengyee by my Burmese clerk, who was well known, and who contrived with great difficulty and after considerable delay to get into the palace. The Pakhan Mengyee sent me two of his own men to escort me into the palace. On the following morning, the 5th, I accompanied these men, and on reaching the palace, was informed that the King would see me; I found him sitting with some of his Queens, and, as might be expected, in a somewhat dejected state of mind. He addressed me by name as soon as I entered, and spoke very feelingly about the folly of his rebel sons, and the possibility of insurrections like the present taking place in other countries besides Burmah. I left after a short visit, but it was evident from what I saw, that a great feeling of uncertainty prevailed both inside and outside the palace.

13. The means for defence were being steadily but stupidly advanced; for instance, in front of the east face of the palace building were ranged three rows of guns, one behind the other, and all on the same level, with about six feet space between each gun. This space again was occupied by jingals, or smaller guns.

The ammunition for each gun lay underneath the gun itself, and the manifest intention appeared to be that each gun was to be used in the position it then occupied. The city and palace gates were closed, but very imperfectly guarded; the city itself was deserted, and beyond the guards at the several approaches to the city the houses and streets had lost all signs of habitation.

14. I am speaking now of the condition of affairs on the 5th August, but a state of anxiety amounting to almost panic ensued on the 6th, when a large fire occurred in the city. The fire was evidently the work of an incendiary, whose object was to burn down the late Crown Prince's palace. The object succeeded completely, and the fact was the more important on account of the political move or motive attached to it.

15. This leads me to mention the "Pudye Mentha," the eldest son of the late Crown Prince; he is said to have been in the palace at the time of the outbreak on the 2nd, and to have made his escape by at once taking to flight. As soon as it became generally known that the Crown Prince was dead, most of his troops and adherents joined the Pudye Mentha, who had proceeded northward to the city of Shoay Bo, the general rendezvous of any revolted or runaway prince who professes a design against the ruling powers, or feels in a position to assert his claims to real sovereignty.

16. When it was known to the King that the Pudye Mentha had gone to Shoay Bo, a deputation of high officials was sent to offer him the heir apparentship in the place of his deceased father, and to use every endeavour to cause his return to Mandalay. The Mentha was known to possess a kind, quiet, and intelligent disposition, and if left to his own pursuits and inclination, it might well have been believed that he would return submissively to Mandalay as soon as his personal safety was fully ensured. But the fact that he would not return unless to claim the crown was well known to those who understood the various interests involved, as well as the character and expectations of the Mentha's advisers, who certainly looked upon the Mentha as a puppet set up for the mere purpose of advancing their own immediate prospects of power.

17. The consequence was that the several deputations sent failed to accomplish their purpose, and some of the individuals composing them, it was said, were even ill-treated and sent back in ignominy. Other fires besides that which
burnt

burnt down the Prince's palace occurred in the city on the 6th, and it became very evident that a state of disorganisation was succeeding in natural order, and with the usual precision attending Burmese insurrections to the insecurity and uncertainty of a Government which was itself in danger; for by this time it was known beyond doubt that the Pudyne Mentha had aspired to fight, that his emissaries were preparing the way by fire and pillage, and that his advanced troops were already within a few miles of the city.

18. On the afternoon of the 6th, a Mr. Elias Gallisteen, an Armenian merchant, called upon me, and said he had been sent by the King to ask me whether I would make over the steamer "Nerbudda" to him; he informed me at the same time, that Moolah Ibrahim and Mr. Paul Camaratta had been despatched with a similar request to Dr. Williams. I replied that the matter was a very important one; that any negotiation regarding the steamer must be carried on direct with the King; and that I did not recognise Mr. Gallisteen's powers to treat, as he had never before been made an official medium of communication between myself and the Government. Early the next morning Mr. Gallisteen again appeared at my house with the Lamine Won, an officer of high rank, and I was informed that the King wished to see me as soon as possible. I prepared to accompany the Lamine Won, and under his escort reached the palace. On my road there I received a note from Dr. Williams written at the palace, in which he informed me that he had been asked to give the steamer; that he had expressed every willingness to do so; and begged that my consent might be given to enable him to complete his arrangements with the King. On reaching the palace I met Dr. Williams, and we went together to the King. As I entered, the King was sitting down with his principal Queen, and I heard him tell her in a joking kind of manner, "Sladen had a narrow escape the other day; he was obliged to run and get over a high partition, when he found himself in the Myanan, which was crowded with men, and where by good luck alone he escaped being killed."

19. Immediately after this the King turned to me and said, "What about the steamer?" I replied, "The steamer was detained by me for the sole purpose of saving the lives and property of European residents and their families in case the present disturbances continued and any dire necessity arose such as to cause our flight. If we are saved, it will be good for ourselves and for your Majesty's Government; but if your Majesty will explain to me why you want the steamer, and guarantee at the same time the protection to obtain which the steamer has been detained here at the expense of the British Government, I will at once replace the steamer at the disposal of Dr. Williams, from whom I received it."

20. The King evinced displeasure, and, turning away a little, said—

"I knew there would be some difficulty. As to guaranteeing lives, I will do the best I can, not only for Europeans, but for all alike. The occasion is a very emergent one; it is to the advantage of my whole kingdom that I should have the steamer; I merely want her to cruise up and down the river, a little off the town, and probably I may have to cross troops over to Sagyne, or bring them back again."

21. I saw at once that the King's wishes were intended to be commands. To have opposed them openly at such a time, when his necessities had probably rendered him unscrupulous about consequences, was an act which might have made my own position, and the condition of foreign residents at the capital, a more uncomfortable one than it then was, threatening, as it certainly would, immediate withdrawal of royal countenance and protection, and the probability of indignities, if not imprisonment; so I replied—

"In a case of such emergency I cannot oppose your Majesty's wishes. I give over the steamer to Dr. Williams."

The King then said, "Go to the Mengyees, and make the necessary arrangements."

22. We went at once to the Hlot in company with Mr. Camaratta, and there met the Pakhan Mengyee, and a document in Burmese was drawn out and read. Dr. Williams objected to the Burmese document, and said it was necessary to execute an instrument in English as well as in Burmese. Dr. Williams was dissatisfied,

moreover, with the pecuniary conditions relating to contingent damages, and it became pretty evident that an agreement was still far from being concluded. The Mengyee remarked more than once during the conference that the times were exceptional; that if he chose, he could do what he liked with us or with the steamer, and said, "If we took the steamer, what could you do?" I said that we should in that case be helpless; but that if a seizure was contemplated, the Burmese Government (in accordance with the practice followed in all countries where State emergencies or the necessities of the times seemed to justify an extraordinary course) would be responsible for all consequences, and that there would be no necessity for entering into written agreements of any kind.

"No," said the Mengyee, "we cannot enter into any written agreement, from the mere fact that the Government cannot comply with the conditions imposed by the Chief Commissioner's Agent, and under which alone he (the Agent) agreed to deliver over the steamer: we do not know what may take place in the present existing state of affairs, and cannot guarantee the lives and safety of Europeans or their families, but come again to-morrow morning early, and we will see what can be done."

23. We left the Mengyee after a fruitless conference, which had lasted more than two hours. I felt sure that the delivery of the steamer was inevitable, and was inwardly sorry that amicable arrangements had not been entered into, and the steamer made over with as good a grace as possible. The delay until the morrow had been merely intended by the Mengyee, I believe, to give him time to consult the King regarding the expediency of immediately seizing the steamer. It was further clear, judging by the state of the times, that a crisis had arrived in which, if the steamer was to be taken at all, immediate possession was a point of essential importance to the Burmese Government.

24. I reached my house at between 3 and 4 p.m. that day (7th), and in about half an hour afterwards Mr. Camaratta, with Mr. Gallisteen and a Sayay-dan-gyee, or Secretary of the Hlot, came and informed me that the King, on hearing that the steamer had not been delivered up to him, had become very angry, and had ordered that immediate and forcible possession should be at once taken of her by his officers. I was further informed that an officer (the Shoay Lam-Bo), with about 30 armed men, with four small guns, and a suitable supply of ammunition, was on his way to the steamer, under orders to proceed on board and take charge.

25. Dr. Williams at this time as agent for the steamer protested against the seizure, and said that before he agreed to give her up he required me to enter into a written guarantee, in which it was to be stipulated that the British Government was held liable for all the consequences of the seizure. This, of course, I would not, and could not, concede. Opposition to the seizure would have been futile: the only recourse, namely, to have despatched the steamer at once to Rangoon, would have involved a wanton breach of faith with the Burmese Government, for we had formally agreed to a further negotiation on the morrow, and conclude final arrangements for the actual delivery of the steamer.

26. Besides, the immediate despatch of the steamer under such circumstances, whilst it would have endangered our position at Mandalay, would at the same time, I believe, only have delayed the forcible seizure a short time until she had been obliged to anchor for the night. Without a sufficiency of arms or suitable means of defence, the steamer must have become an easy capture to the war boats, which it is only consistent and reasonable to conclude would have been despatched to bring her back.

27. My counsel, therefore, was to make no opposition, but to passively submit, under protest, to an act which the Burmese Government had wilfully and deliberately determined on, and for the result and responsibilities attending which the Government and country might justly be held liable.

28. I considered it necessary, however, to hold out or be particular on one point, and that was to obtain, if possible, a royal order in writing as a proof of the King's determination to make a positive and forcible seizure of a steamer belonging to an English Company, and then under British protection. I did not doubt that Mr. Camaratta had been deputed by the King on the duty upon
which

which he had then come, for he had on several former occasions been officially made use of and recognized as an authorised medium of communicating the King's orders and wishes in reference to foreign residents and foreign affairs generally; but I thought of future complications, and was anxious, for the sake of future reference, to possess some tangible record of an order directing the forcible seizure of an English merchant steamer by a foreign power.

29. After much hesitation and opposition the Sayay-dan-gyee was despatched to the palace, and returned with the written order in due form, a copy of which is attached for information. The same evening the King's troops under the Shoay Lam-Bo were allowed to take quiet possession of the steamer, the Captain and crew electing to remain on her, and submit to the directions of the Burmese Commanding Officer on all points connected with the duties of the ship and its proper navigation.

30. Regarding the forcible seizure of the steamer, and the views entertained at the time by Dr. Williams, the agent for the Irrawaddy Flotilla Company at Mandalay, I beg to attach copy of letter to my address, dated steamer "Nerbudda," 7th August 1866.

31. I am compelled to remark, with reference to this letter, that the circumstances as related at paragraph 12 are somewhat distorted. Shortly after the fact had become known that the King had determined upon seizing the steamer, Dr. Williams took the Commander of the steamer (Captain Bacon) aside and spoke privately to him. Captain Bacon left Dr. Williams very hastily, and, as he went down the stairs to leave my house, said rather angrily, and with evident determination of purpose, "I won't give up the steamer; I'll be off to Rangoon." I concluded that the Commander had received his instructions from Dr. Williams, as I knew he could not act on his own responsibility. I then called upon Dr. Williams to be careful as to the order he had given, and to remember and realise the difficulties of our situation; that due regard must be had to events, which, however unsatisfactory or unpleasant they may be as regarded the interests of the steamer or her owners, were now beyond our control as regarded the course which I felt bound as a public servant, in the interests of all concerned, to counsel and advise. It was at this juncture that Dr. Williams directed the commander to wait and not return to the steamer, and I have not considered it out of place to refer to this particular circumstance in its connection with paragraph 12 of Dr. Williams's letter of the 7th instant, because, although I have no desire to advance any very material reasons for correcting the paragraph itself, it is due to myself, I think, to point out that the paragraph is not altogether correct as it at present stands.

32. It was a matter of no little anxiety to me to find that the King had ordered guns and troops to be put on board the steamer, for his doing so was an act which hardly accorded with the promises that the steamer should merely be used as a transport to convey troops backwards and forwards between Mandalay and Sagyne, a town a little to the south of Mandalay, on the opposite bank of the river. I was still more concerned to learn that it was the intention of the officer in command of the King's troops to proceed at once with the steamer a few miles up the river, north of Mandalay, to a point where it was known that the Pudyne Mentha was then crossing his troops with the intention of attacking Mandalay. But evening had set in before the King's troops had got on board, and it was understood that the steamer would not leave her anchorage until daylight the next morning.

33. The same night I contrived to despatch a private letter to the commander of the steamer, in which I asked him to do all in his power, and even to use his ingenuity, if necessary, to either altogether prevent the steamer's proceeding up the river any great distance from the capital, and at all risks and under all circumstances to delay her departure, or retard her progress by every direct or indirect means of which he could safely avail himself.

This letter never reached Captain Bacon; the steamer had left her anchorage at 11 p.m. on the night of the 7th, and steamed up the river with hostile intent.

34. On the same night, a little after midnight, or rather early in the morning of the 8th instant, the Myo-Woon, or Chief Magistrate, an official of high rank and position, came to my house for the express purpose of warning me to move

out of it, as, he said, it was impossible to defend myself there, or to make any stand against the irregular bands of mixed soldiers and dacoits who were now close to Mandalay, and would soon be let loose to commence the work of pillage and plunder. The crisis, he said, had arrived, and the attack might commence at any moment. My official position, he added, would not be recognised, because it would not be known amongst the savage hordes which would accompany the Mentha from Shoay Bo. He advised me to abandon my house at once, and seek protection either in his house or that of Dr. Williams situated in the heart of the town, either house being more defensible than my own. The Myo-Woon's warning was significant on account of his official position; he no doubt considered it his duty to give me timely intimation of impending danger, and to warn me (as one more experienced than myself in a Burman crisis) what course I ought to pursue in order to be as far removed as possible from the scene of indiscriminate confusion and riot, which it was believed was then soon to be enacted.

35. Early on the same morning (8th instant) Tseyab Oazan, the official appointed by the King as the medium of communication between his Majesty and myself (I had not seen him since the outbreak of the insurrection on the 2nd instant), came and informed me in a confidential sort of way that I ought to remove myself for a time from Mandalay. I told him to inform the King that he had deprived me of the means of getting away by seizing the steamer "Nerbudda," which steamer I now learned was going to be used offensively against the enemy. I said this was a breach of faith on the part of the King, which compromised as well as jeopardised my position here as British agent, and begged that the steamer might be returned, or suitable protection afforded. The royal messenger informed me that the King was not in a position to give protection.

36. As another instance tending to show the state of insecurity at this time, even inside the palace, I may mention that a message was sent to me on the morning of 8th instant (though not delivered at the time) from the chief wife of the late Crown Prince, then a resident of the King's palace, asking me to give her and her son, a lad about 12 years of age, protection and conveyance to British territory.

37. Matters had thus arrived at a crisis. From 2nd until the 8th affairs grew worse. Distrust and alarm pervaded all; my house and compound were besieged and literally filled with those who sought shelter; European residents, who had lived the greater portion of their lives at a Burman capital, now believed their lives in danger, and feared to inhabit their own houses. I was without the ordinary means of making any suitable defence, and was opposed from the first to many warlike propositions made to me from time to time by some of our community who thought we must fight.

Until the events of the 8th, I was never apprehensive of actual danger to life; my advice was, "Do not barricade; nothing that we can do will save our property from loot and fire, but our lives, I feel sure, will be respected and are safe."

For my own part I was prepared up to that date (8th instant) to remain at my post, and give up my property when called upon to do so to the several marauding bands who would assuredly bring up the rear, if not accompany the van of the attacking forces.

38. However, on the morning of the 8th, when it was known that the steamer had left with the King's troops on board, and with hostile intent, and when I felt the time had arrived for some decisive course of action by which to provide the best means of mutual support and co-operation, I called upon the Europeans who were with me to join in council and deliberate upon the new state or phase of events occasioned by the seizure of the steamer, her despatch northwards to engage the Prince's troops, and the advice given by the Myo-Woon and King's messenger the same morning, urging the necessity for immediately abandoning the Agency.

39. Various propositions were made, but no resolutions arrived at; all were assured that, had the steamer been available, the time had come for repairing on board and removing ourselves from the scene of insurrection, at all events for a
few

few days, until matters had begun to settle down. The majority favoured the idea of fortifying ourselves in any building which could be most easily and readily rendered defensible. My own proposition was to remove the families and property deposited in my house on board the flat "Mahanuddy," which had been brought up by the steamer "Nerbudda," and was now anchored in the river in mid-stream, to occupy the flat ourselves if necessary, and for that purpose to place it in as good a state of defence as possible.

40. Our deliberations at this point were interrupted by a note which I received from Mr. Berry, the commander of the flat, in which he reported that the steamer "Nerbudda" had just been sighted coming down the river. We agreed to adjourn our meeting or consultation until four o'clock the same evening, or until we could ascertain the movements of the steamer, and what her operations had been since she left the previous night: we had no sooner got up and adjourned the meeting than the steamer's boat was seen pulling up the creek and making for my house. The officer in charge of the King's troops, with the Armenian gentleman, Mr. Elias Gallistein, landed from the boat and came towards us; they soon gave us to understand that the steamer had not proceeded up the river many miles before she was challenged by some of the Prince's troops on shore and ordered to stop; that when she did not stop, two war boats filled with armed men left the shore and pulled alongside the steamer, one on either side, with the evident intention of boarding her: but the steamer, by order of the officer commanding the troops, was made to turn round and ran down the boats; that the Burmese troops had fired into the boats; and that altogether between 40 and 50 of the boat's crew (Prince's troops) had been killed by the operations of the steamer: that the officer in charge was now going to the King to report his victory, and to get more troops and a further supply of ammunition for another cruise. The Armenian gentleman's story was soon confirmed by Captain Bacon, the commander of the steamer, who shortly joined us from the steamer. Another consultation was held on the spot; it was unanimously resolved that the only course now left to us, either as regarded our own safety, as well as to prevent the steamer being further offensively used against the Prince's troops under the colour of British support, was to regain possession of the steamer at all risks and by use of force if necessary, and, taking all on board who sought British protection, repair to Rangoon with as little delay as possible.

41. To retake the steamer so as to avoid actual collision with the King's troops was a measure which required both tact and caution, in design as well as accomplishment: above all things, loss of time would have been fatal to success. Notice was sent to all to repair at once to the steamer, and Captain Bacon was sent there also to make preparation for our reception, and especially guard against giving any cause to the troops on board to suspect or distrust his actions. It was now two p.m. I sent Mr. Calogreedy, a Greek merchant, with a box of my clothes and a message to the Sayay-dan-gyee, who was on board the steamer, to inform that official that it was my intention to come and remain with the steamer. Suspicion had been aroused amongst the King's troops when they saw so many Europeans join the flat and steamer armed and with a portion of their effects; still they did not, I think, anticipate any hostile movement, such as a determination on our part to recapture the steamer. Mr. Calogreedy managed the task I had assigned him with great tact and skill; he quite allayed all suspicion, though many general questions were asked.

42. I left my house at about four p.m. with the greater portion of the Europeans who had not already gone to the steamer. As soon as we got on board our intentions were very quietly but palpably disclosed by the attitude we assumed, and by the fact that every man carried arms. When all was in readiness a message was sent to the King's troops (only 17 of them had remained on board) to say that I wished to speak to them; they left their arms in the fore-part of the vessel, and came to where I was standing: their arms were at once secured by Captain Bacon and a party of his men.

43. On the men coming aft they sat down in a row, and I at once told them that we had retaken the steamer and intended to keep her: the men were entirely passive, and their only fear seemed to be that we were about to resent the seizure of the steamer by the infliction of summary punishment on them-

selves. They were much relieved when I told them that it was my intention to land them at once with their arms; some of them even expressed a willingness to be taken on to Rangoon, but, of course, this idea could not for a moment have been entertained. The men were all placed in the steamer's cutter, when their arms were handed to them and they were sent on shore.

44. There were at this time four small two-pounder brass guns on board belonging to the King, which I found it impracticable, on account of their weight and the delay which would have ensued in shipment, to put into the boat with the men. It was my intention to have landed the guns at Menhla on the occasion of the steamer's remaining for the due payment of customs duties; but as Menhla was in possession of rebel troops, it was found expedient to pass it by without stopping, and, consequently, the guns have been brought on to Rangoon. It is my intention to hand them over to the agent of the King's steamer, now at Rangoon, and obtain from him, as well as from the officers in charge of each of the King's steamers, their receipts for the same.

45. The steamer was now entirely at our disposal; we proceeded forthwith to the flat, and taking her in tow, allowed both steamer and flat to drop quietly down the river. There was no undue haste or confusion in any portion of the proceeding by which we regained possession of the steamer, nor happily was force requisite. The several arrangements connected therewith, all of which required no little tact and firmness in detail, were carried out with precision and without a mishap of any kind. Full two hours' notice was given to those who elected to leave Mandalay to join the steamer before her departure for Rangoon; and when the time for leaving arrived, all who claimed protection or wished to join us were either on board or on their way to the steamer. We therefore merely dropped down the stream until clear of Mandalay, when the paddles were used, and the steamer shortly afterwards anchored for the night a little south of Sagyne.

46. It now became necessary to be on the alert. The force of circumstances had obliged us to adopt an extreme course in order to get back our steamer, and as that course had involved a display of force and determination, and inasmuch as we had at a time of great emergency so far compromised ourselves by open antagonism to the King's authority, I felt assured, and so did every one else with me at the time, that our own safety and the safety of those who had made themselves dependent on me rested entirely on the means and ability we possessed to further combat and defy that authority.

47. It was expected that armed boats would have been despatched to retake the steamer, and that we should have been compelled to act defensively. The orders on board were that no boat was to be allowed to approach the steamer. The whole of the male portion of our community, not excepting the Catholic and Armenian priests, were told off as guards and watches; our arms were all loaded, and although there was, perhaps, still cause for anxiety, there was nevertheless a greater feeling of security than had been experienced by some since the occurrences of 2nd instant.

48. During the night (a very dark one) Mr. Peter Camaratta arrived in a boat and wished to come on board the steamer; his boat was challenged, and the order being that no boat was to be allowed alongside during the night, he shot past down the stream before it could be clearly ascertained who he was, and without the possibility or opportunity of his reaching us that night. He appeared next morning, and brought five boxes with him, containing the jewellery and valuables belonging to the Camaratta family.

49. During the night of the 8th, as we lay anchored off Sagyne, large fires were seen to be burning in the direction of Mandalay, and on the morning of the 9th, as we proceeded down the stream, heavy clouds of smoke appeared to hang over the devoted city or its suburbs.

The signs of war or insurrection were very manifest as we proceeded on our course. At each of the towns we passed parties of armed men were seen, and war boats filled with men passed continually up and down the stream, apparently ready to join the standard of revolt and help in the general disrapture of the country. In some instances they were pronounced to be King's troops returning after an unsuccessful attempt to entrap the rebel Myeengoon Mentha; in others they

they were declared to belong to the Pudyne Mentha: we asked no questions, and continued on our way with apparent unconcern.

50. As we reached the town of Magway on 10th instant, a small boat came up to us, and I was informed by one of its occupants that the Myeengoon Mentha was at Magway in great force, and that he held possession of the country as far as the frontier station of Menhla. He had attacked Menhla, it was said, and removed from thence the treasure collected in the Custom-house, as well as a few guns which he had placed in position on board his steamer.

51. It seemed somewhat doubtful whether the Mentha might not attempt to obstruct our passage, with a view to obtain possession of the steamer "Nerbudda." The steamer which he already possessed, the "Yaynan Sekia," was known to be a much faster and more powerful boat than the "Nerbudda," and, being well armed and unencumbered with a flat filled with European families, might easily have run down upon, or into, us with certain ruinous effect.

52. As we approached Magway we descried the Prince's steamer, apparently with steam up: my determination was to pass her by without any notice, but if challenged and pursued, to stop and go on board myself for the purpose of holding a personal conference with the Mentha. When nearly abreast of the steamer a boat pushed off to us from the "Yaynan Sekia" with merely a Lascar crew on board; the boat was allowed to come alongside, and the Serang in charge informed me that the Mentha was friendly disposed, and had sent overtures to the English Government at Rangoon for assistance or co-operation: Captain Reilly was reported to be well. He was kindly treated on board, but not allowed to leave the steamer. We sent him some supplies which he asked for, and continued our course. The same evening we reached Menhla, the Burmese frontier customs station, which had been partly destroyed, and was now in the possession of the rebel government, and arrived early the next morning at Thayetmyo.

53. It was no little relief and satisfaction to find that those, many of them with experience gained by long years of residence at the Burmese capital, who believed their lives in danger, and who had sought my protection as refugees from a scene of insurrection and civil war, were at last in safety and within British territory.

54. I have thus attempted to relate the several incidents connected with the insurrectionary movement at Mandalay, and the causes which induced me to leave my post at the capital. I will now, for the sake of further elucidation, briefly recapitulate a few of the circumstances which immediately influenced my conduct, and led me, of necessity as it were, to adopt a course of action which, as an essential condition to success, it was necessary to carry out with decision, and not without disregarding in some respects, perhaps, mere personal interests and responsibilities:

1st. The state of the country did not improve, but rather grew worse since the date of the insurrection on 2nd instant.

2nd. Though the King was still in his palace when I left Mandalay on 8th instant, the city might almost be said to be in a state of siege. The Pudyne Mentha (eldest son of the murdered Crown Prince) had been joined by a large force of his father's troops, who had a special interest in placing the Mentha on the throne, and who, therefore, refused every offer of mediation.

3rd. Several other Menthas, or aspirants to chief power, were in the field collecting troops and aiding in the work of general insecurity and disorganisation, so that, whether the present king remained on his throne, or the kingdom passed over to the victorious Pudyne Mentha, a state of comparative anarchy would naturally ensue, terminable, perhaps, only after the lapse of several months.

4th. The Chief Minister, the Pakhan Mengyee, had distinctly informed me that he could not guarantee the safety of either the lives or property of European residents.

5th. Lawless bands of dacoits and marauders had already begun to infest

and plunder the suburbs; the city had been fired in different places by incendiaries, and even the Crown Prince's palace burnt.

6th. The chief city authority, as well as the King's own private messenger, had both officially and advisedly warned me that I ought not to remain.

7th. The English steamer had been seized by the King's government and used against the enemy in a way which was sure to be resented, because no means existed of entering into explanation with the Pudyne Mentha, and of assuring the minds of his people that the English had not taken part in destroying his troops.

55. But, leaving aside all the above considerations, the responsibility remained with me of deciding, not only a matter in which my own safety was concerned, but of determining at a moment's notice, and at a time of general anxiety and confusion, whether a step (which, though it may have involved doubt as regarded mere personal responsibility, or the commission of even an error in judgment) was not justified by the chances, or rather certainty it held out, of safety and protection to defenceless families, who believed, not without good reason, that their lives were in danger.

56. And with reference more personally to my own departure from Mandalay, I conceive that it is necessary, in determining upon the propriety, or otherwise, of such a move as apart from the necessities by which it was brought about, to bear in mind, or rather to ask, the question, whether, by remaining where I was, any object or purpose was being effected which could have in any way contributed to the public good, or to the end for which my appointment at Mandalay was created?

57. My own opinion is, that when my life was positively endangered (as I think I have shown it was), it was prudent to seize upon the means of removal, and avoid the complication which must have ensued upon the self-sacrifice of a Political Officer for the good, or, perhaps, possible evil, of his country.

* * * * *

64. I have merely to remark, in conclusion, on the course which I consider it advisable to adopt at the present crisis of events in Upper Burmah.

65. I propose that a steamer be placed at my disposal for immediate return to Mandalay. With this steamer it would be my object to keep open the communication between the capital and the frontier, and being on the spot, I should be able to watch and report events exactly as they occurred.

66. It would be an object at the same time to rescue Captain Reilly from his somewhat precarious position on board the Myeengoon Mentha's steamer, and afford protection further to any parties of European extraction left at Mandalay who, owing to the spread of the insurrection and the probable destruction of the city and suburbs, might be either in distress, or without the means of support or subsistence.

67. My return to the capital would, I think, give confidence to whichever party was in power, and might tend in some degree to the pacification of the country.

LIST of DOCUMENTS accompanying letter, No. 30, of 22nd August 1866.

Marked (A.)—List of Princes, &c., killed or wounded on 2nd August 1866 at the Summer Palace.

Do. (B.)—List of Princes in arms against the Government, or for their own protection.

Do. (C.)—Copy of letter, No. 28, of 3rd August 1866.

Do. (D.)—Copy of letter from Dr. Williams, dated 7th August 1866.

Do. (E.)—Copy of letter, No. 29, of 10th August 1866.

Do. (F.)—Copy of original written order directing seizure of steamer by the King.

Do. (G.)—Translation of Royal Order.

Rangoon,
22nd August 1866.

(signed) *E. B. Sladen*, Captain,
Agent to Chief Commissioner, B. B.

(A.)

LIST of PRINCES and HIGH OFFICIALS killed or wounded at the Summer Palace during the outbreak of the Revolution on 2nd August 1866.

Crown Prince (Gyne Shay-men)	-	-	-	Brother of King	-	-	-	Killed.
Melloon Mentha	-	-	-	Eldest son of King	-	-	-	Do.
Peenizee Mentha	-	-	-	Brother of Melloon Mentha	-	-	-	Do.
Sagoo Mentha	-	-	-	Son of the King	-	-	-	Do.
Myadoung Mengyee	-	-	-	War Minister	-	-	-	Do.
Loung Shoay Mengyee	-	-	-	Fourth Minister	-	-	-	Wounded.
Menhla Ken Wongyee	-	-	-	Governor of Menhla and Western Provinces	-	-	-	Killed.
Thooyai-Won	-	-	-	Governor of Eastern Provinces	-	-	-	Do.
Toung Dawai Bo	-	-	-	Military Commandant of high rank and influence	-	-	-	Do.
Lai-Won-Thandanzen	-	-	-	High official	-	-	-	Wounded.
Moung-Po-Thandanzen	-	-	-	Ditto	-	-	-	Killed.
Yaw-at-Wen-won	-	-	-	Ex-Minister of Interior	-	-	-	Missing.

Rangoon,
22nd August 1866.

(signed) *E. B. Sladen*, Captain,
Agent to Chief Commissioner, B. B.

(B.)

LIST of PRINCES who had collected Troops and were in arms in various parts of the country when I left the capital on 8th August 1866.

1. Pudyne Mentha - - - Eldest son of late Crown Prince at Shoay Bo.
2. Thonzay Mentha - - - Eldest surviving son of King (since death of Melloon Mentha) at Aloun Myoo.
3. Myeengoon Mentha - - - } Brothers; commenced the insurrection; sons of the King
4. Myeengoon-daing Mentha - - - } at Magway.
5. Nyoung-Yan Mentha - - - Half-brother of Myeengoon Mentha; supposed to be raising troops in Shan States.
6. Kyeppidoung Mentha - - - Adopted son of King with Myeengoon Mentha.
7. Bo-moo-Mentha-Tha - - - Related to the Royal Family; supposed to be raising troops in the Shan States.

Rangoon,
22nd August 1866.

(signed) *E. B. Sladen*, Captain,
Agent to Chief Commissioner, B. B.

(C.)

From Captain *E. B. Sladen*, Agent to Chief Commissioner, British Burmah, to Dr. *Clement Williams*, Agent to Irrawaddy Flotilla Company; No. 28, dated Mandalay, 3rd August 1866.

WITH reference to the verbal arrangement entered into with you yesterday for the recall of the steamer "Nerbudda" from Sagyne, and the fact of your having so obligingly placed the vessel at my disposal for Government service, I have the honour to inform you that I consider it advisable during the present crisis to detain her here until matters become somewhat settled.

2. The steamer is, I am aware, moored at present in mid-stream, and has been put into as defensible a position as the means at our disposal will admit. It will be necessary, I think, to lay in a good supply of rice (say 50 baskets) and provisions generally, as procurable, to meet possible contingencies. I shall be obliged by your making arrangements to this effect.

3. Very many applications are being made for freight and passage to Rangoon. I am of opinion that they should not be granted for the present, or until, with reference to the capabilities of the steamer, the number of applications, and the necessities of each case, we can ascertain the circumstances of those who may have a prior claim to protection.

P.S.—I shall be glad to learn as early as possible from yourself the number of passengers on both the steamer and flat to whom you have already granted passage-tickets, as well as what available space there may be for cargo in excess of that already taken in on board.

(D.)

From Dr. *Clement Williams*, Agent to Irrawaddy Flotilla Company, to the Agent to Chief Commissioner Mandalay; dated on board the Steamer "Nerbudda," 7th August 1866.

In reference to the seizure of this steamer by His Majesty the King of Burmah with your sanction, I have the honour to state that, on behalf of the Irrawaddy Flotilla and Burmah Steam Navigation Company, I hereby protest against this seizure without the Burmese Government giving any guarantee of reimbursement for damages sustained. The damage suffered by such a seizure must include various accounts.

2. The moment you inform me that it is no longer necessary to keep the vessel here on public grounds, I am bound to despatch her to Rangoon with the cargo entrusted to her.

3. The seizure prevents my doing so.

4. The result is that the cargo is here in jeopardy, when it might be on the way to Rangoon in time to escape danger. The delay itself is money value to the shippers.

5. A large quantity of valuable freight I must now refuse.

6. Even if no accident happens to the steamer or flat, the damage to the Company's interest will be very great. The disappointment and failure of promise will injure the Company's influence or connection here in a trading point of view.

7. The Woongyee declined to enter into an engagement to reimburse me for all damages incurred.

8. I must state that the owners of the vessels will hold the seizing authorities responsible for all damages and penalties, and for due compensation for the loss of the services of the vessels at such an important period.

9. Should the steamer be lost or irreparably injured, a lakh of rupees will be expected as indemnity and 40,000 rupees for the flat.

10. As you have sanctioned this seizure, the owners will naturally regard the British Government as guarantee for the Burmese Government in reference to all just compensation.

11. The captain and crew refuse to leave the vessel. Under these circumstances, I think it advisable that some one understanding the Burmese people should be on board.

12. You will kindly note that at once on the King's agent coming to take possession I stated to you that, were it not for the sake of the safety of yourself and the Europeans here, I should at once remove the steamer from the King's troops' reach and steam away to Rangoon. The consequences of such a step would be insurance of the owner and shippers' property and of those on board; but the resentment of the Burmese Government would be visited on you and others. I was therefore compelled to yield to the forcible seizure.

13. I have duly warned the captain and crew that, if he remains on board, it must be at his own risk and on his own responsibility, and have mentioned to him the law forbidding British subjects to perform military duties on behalf of alien governments without special permission.

14. The fact of all my documents and cash being on board, as well as a large quantity of specie belonging to other people, renders the safety of the vessel a question of extreme moment.

(E.)

From Captain *E. B. Sladen*, Agent to Chief Commissioner, British Burmah, to Dr. *Clement Williams*, Agent to Irrawaddy Flotilla Company; No. 29, dated on board the Steamer "Nerbudda," 10th August, 1866.

I HAVE the honour to inform you that, as soon as we reach British territory, I shall consider the steamer "Nerbudda" at your disposal, with the proviso that all those who have sought protection to life and property in her be allowed to continue their passages to Rangoon, if so inclined.

2. I am

2. I am of opinion that all passengers are liable for the amount of their own passage fares. Should, however, there be any who, either from distressed circumstances or losses incurred in leaving Mandalay, may be unable to pay what is due, I beg you will hold me liable for the same in the name of the British Government.

3. All bills and vouchers on account of expenses or damage incurred by reason of the steamer's detention at Mandalay under the circumstances mentioned in my letter, No. 28, of 3rd instant, should be prepared and sent to me as soon as possible. I will submit them to Government for immediate payment.

(F.)

COPY of original written Order directing Seizure of Steamer by the King.

(In Burmese.)

(G.)

TRANSLATION of Royal Order—Document marked (F.)

"THE King wanted (the steamer Nerbudda); he consulted the agent to the Chief Commissioner, but could not come to terms. He therefore feels compelled, on account of pressing State emergencies, to seize and retain temporary possession (of the steamer)."

THE above Royal Order was recorded and proclaimed by Nukhan Dan-nay-myoo-nanda-meik-see-thoo on 12th decrease of the moon Dootiyah Wahzo in the year 1228, Burman era.

LET the steamer be seized and occupied in accordance with above Royal Order.

ORDER of Magway Woongyee and Pakhan Woongyee, given on 12th decrease of the moon Dootiyah Wahzo in the Burman year 1228, and recorded by Wondouk Dan Akhon-won-men.

From Colonel *A. P. Phayre*, C.B., Chief Commissioner of British Burmah, to the Secretary to the Government of India, Foreign Department, with the Governor General,—No. 150-37, dated Rangoon, the 27th August 1866.

UP to the present time I have not received any additional news of importance from Mandalay. It is still uncertain who in the struggle now going on will be victorious.

2. The Myeengoon Prince, who first raised the rebellion, is understood to be gradually moving up towards the capital. The Pudyne Prince, the son of the murdered Crown Prince, is supposed to be urging his followers to the same point.

3. The King, still in the city palace, it is reported, has been joined by one of his sons, who at first had fled. This son, the Thouzay Prince, has influence in the Shan States, and might bring a considerable force to support the King. It is this last circumstance which now makes me doubt if the troubles will be decided so quickly as I at first expected. The appearance of the Thouzay Prince may prolong the civil war for some time.

From the Secretary to the Government of India, Foreign Department, with the Governor General, to the Chief Commissioner of British Burmah,—No. 934, dated Simla, the 14th September 1866.

I HAVE had the honour to submit to the Governor General in Council your letter dated 25th ultimo, No. 143-31, forwarding a further report by Captain Sladen of the principal events connected with the insurrection at Mandalay,

and in reply am directed to inform you, that his Excellency in Council, though he will not actually prohibit your going to Mandalay, should you think it expedient to do so, is nevertheless of opinion that it will be better for you to wait at Thayetmyo and watch the progress of events. His Excellency in Council is also of opinion, that Captain Sladen should not return to his post at present, as there is nothing to be gained by this step.

2. With reference to the question of compensation mooted in the 6th paragraph of your letter, I am desired to state that the Government will not entertain any claims for compensation on account of private property abandoned or destroyed at Mandalay, but that the hire of the steamer "Nerbudda" may legitimately be defrayed from the public funds, because she was recalled to the capital at the desire of Captain Sladen, the British representative.

3. Instructions to the above effect were telegraphed to you on the 8th instant.

4. Your letter, No. 150-37, dated 27th ultimo, has also been received by me and laid before the Governor General in Council.

Foreign Department.—Political.—No. 181.

The Governor General of India in Council to the Secretary of State for India, dated the 23rd October 1866.

IN continuation of our Despatch, No. 161, dated 21st ultimo, we have the

From Chief Commissioner, British Burmah, dated 18 September 1866, No. 159.

From Chief Commissioner, British Burmah, dated 24 September 1866, No. 166.

Telegram from Chief Commissioner, British Burmah, dated 15 October 1866.

Telegram to Chief Commissioner, British Burmah, dated 16 October 1866.

honour to forward, for the information of Her Majesty's Government, copies of the further papers noted on the margin regarding the state of affairs in the Burmese territory.

2. Your Lordship will perceive, that we have consented to Colonel Phayre's proceeding to Mandalay, should he think it safe and desirable to do

so, and that we have directed that officer, in the event of his adopting such a course, to take a sufficient escort with him.

From Colonel *A. F. Phayre*, c.b., Chief Commissioner of British Burmah, to the Secretary to the Government of India, Foreign Department, with the Governor General,—No. 159-52, dated Thayetmyo, the 18th September 1866.

I HAVE the honour to report, for the information of his Excellency the Viceroy and Governor General in Council, that affairs in the Burmese territory appear to remain in the same state as already reported. The King is still shut up in his palace in the city of Mandalay; his nephew, the son of the murdered Crown Prince, is still at the town of Shwé-bo, to the north-west of Mandalay. It does not appear that his strength has increased. The Myengoon Prince, who commenced the disturbance, has the King's steamer, which he originally took possession of, and is now somewhere about Ye-nan-gyoung, about 100 miles beyond the British frontier. By means of this steamer the rebel Prince holds possession of the river, and communication with the capital is difficult. It does not appear, however, that the rebel Prince has any possession ashore, or any influence beyond the mere terror which the steamer creates.

2. There are at this place two steamers belonging to the King of Burmah but the commanders do not like to venture up the river, as they are not armed, and have, in fact, no men on board who would encounter the desperate characters whom the rebel Prince has under his command.

3. With reference to your telegram of the 10th instant, I will wait at this place and watch the progress of events. Captain Sladen will also await further orders.

From Colonel *A. P. Phayre*, C.B., Chief Commissioner of British Burmah, to the Secretary to the Government of India, Foreign Department, with the Governor General,—No. 166-53, dated Thayetmyo, the 24th September 1866.

I HAVE the honour to report, for the information of his Excellency the Viceroy and Governor General in Council, that two steamers belonging to the King of Burmah, which remained at this place, proceeded up the River Irrawaddy yesterday.

2. It appears that the Burmese Governor on the frontier did not wish them to pass beyond British territory until he had collected armed men to man them. They have, therefore, now proceeded into the Burmese territory, and it is presumed will endeavour to take possession of the steamer held by the rebel Prince, called the "Myengoon Prince."

3. The several parties opposed to each other remain much as before, but the King is stronger than he was a month ago.

SERVICE MESSAGE.

From Prome, dated the 15th October 1866.

From Colonel Phayre.

To Simla.

To Foreign Secretary.

"THERE is now a good opening for me to go to Mandalay; the Myengoon Prince has come in the country; south of the capital quiet; there will be no difficulty on the way up. By going now, I shall more readily obtain the objects on view than if I delayed: trade, which has been all but stopped, will at once revive. I propose to take a small escort. Full news report will go by mail."

SERVICE MESSAGE.

From Simla, dated the 16th October 1866.

From Foreign Secretary.

To Prome

To Colonel Phayre.

"YOUR message of 15th October received. If you think that a visit to Mandalay is safe and desirable, the Viceroy sanctions your going. His Excellency leaves the matter to your own discretion; but desires that you take a sufficient escort."

Political Department.—(No. 98.)

EXTRACT Despatch from Secretary of State for India to the Governor General of India in Council, dated 24 December 1866.

Para. 2. THE most important letters are those (Nos. 161 and 181) which report the measures of your Government in consequence of the recent revolution at Mandalay. You have sanctioned the visit of Colonel Phayre to the disturbed district; but wisely instructed him not to proceed thither without a suitable escort. I await with much interest further advices on the subject.

Insurrection at
Mandalay.

Foreign Department.—Political.—(No. 194.)

The Governor General of India in Council to the Secretary of State for India, dated 8 December 1866.

IN continuation of our Despatch, No. 181, dated 23rd October last, we have the honour to forward, for the information of Her Majesty's Government, copy

of a further report from the Chief Commissioner of British Burmah on the state of affairs in Burmah Proper.

2. We have approved of Colonel Phayre's views and proposals regarding his visit to Mandalay; but with reference to the arrangements for the Myeengoon Prince and his brother, who, it will be observed, have taken refuge in British territory, we prefer to await the recommendations which Colonel Phayre may be in a position to make after his arrival at the capital and his interview with the King of Burmah. At present, considering the conduct of these princes, we feel indisposed to allow them more than a mere maintenance.

EXTRACTS FROM LETTER from Colonel *A. P. Phayre*, C.B., Chief Commissioner, British Burmah, to the Secretary to the Government of India, Foreign Department, with the Governor General, Simla,—No. 63-192, dated Prome, the 15th October 1866.

I HAVE the honour to report, for the information of his Excellency the Viceroy and Governor General in Council, the state of affairs in the Burmese territory since the date of my last Despatch up to the present time.

2. On the 6th instant the steamer belonging to the King of Burmah, which had been seized by the rebel Prince, Myeengoon Menta, arrived at Thayetmyo. The Prince was on board, with his younger brother and a relation, Kyoukpadoung-tsa, not belonging to the royal family, but called an adopted son of the King; he is, I believe, maternal uncle to the two young princes. It appeared that the steamer, called in English the "Honesty," had been attacked by the two King's steamers which had proceeded up from Rangoon, and were under the command of the governor of the frontier districts.

3. The Myeengoon Prince, according to his own account, did not wish to fight against his father's forces; he, therefore, when attacked, ordered that the steamer was to be so manœuvred as to escape. This was done, and the "Honesty" came down the river, pursued by the other steamers until within a few miles of the British frontier.

4. As soon as she reached Thayetmyo I sent Major Ripley, the Deputy Commissioner of Prome, and Captain H. Duncan, the Inspector General of Police, on board. I had given orders that the prince was to be informed that all arms must be given up, and that he must proceed to Rangoon, where he would be housed as comfortably as could be until orders regarding him could be received from his Excellency the Viceroy; that in the meantime the steamer must be given up at Rangoon, as being the King's property.

* * * * *

6. The steamer, with the two princes, left Thayetmyo on the 7th instant. I have heard by telegraph of their arrival at Rangoon. They have not yet had a house got ready for them, but that will be done in a day or two more.

7. Since the 6th instant the intelligence which I have received from beyond the frontier shows that the country of the Irrawaddy Valley, between the British territory and the capital, is entirely under the King's officers. It is true that the Padyne Prince, the son of the murdered Crown Prince, is in arms to the north of the capital; but his power is now much weakened, and he cannot be considered as being likely to hold his ground. His chief desire, he has always stated, was to see his father's murderers punished; their exile will, at least, be a strong argument to advance to him that he has no longer any ostensible reason for continuing in arms.

8. On the other hand, it appears very desirable that, in order to secure favourable commercial terms without any undue pressure, I should appear at Mandalay as soon as possible: I shall be able to take up the King's steamer and restore it to him as a friendly act. My going up will entirely restore trade, which has much slackened, and, indeed, for some 50 miles south of the capital has actually ceased. My presence at the capital will, I feel convinced, prevent any destruction of the property of British merchants, a good deal of which was left there. It is true the King has done his best to protect it, and I trust that much less damage has been done than was at first anticipated. By being at Mandalay I feel sure of being able to save what remains. There is no probability at all of my being drawn into any hostility with the Padyne Prince's party,

party, and I shall abstain from all direct support of the King's party. I also feel assured that I shall be welcomed as a friend by all parties, and not as an intruder.

9. My mission originally was to have been undertaken by myself, with one assistant, Mr. R. S. Edwards. I have become so well known to, and have established such friendly personal relations with, the Burmese Court, that I felt I could proceed to Mandalay in this simple fashion without in the least impairing the dignity of his Excellency the Viceroy, whom I have the honour to represent. But the outbreak of the 2nd of August last has altered the position of affairs; it is now necessary to appear with more form and ceremony. I have therefore deemed it to be advisable to go up the Irrawaddy in a steamer, and to take with me an escort of British infantry. The escort will not exceed 60 men in all; they will be on board a troop-boat, which will be towed by the steamer. I at the same time take up with me the King's steamer, which was brought away by the Myeengoon Prince. Captain Sladen will accompany me. I propose that he should remain when I leave, if all events shall render that step advisable.

10. I am unable at present to make any distinct recommendation regarding the Myeengoon Prince and his brother. I trust that his Excellency the Viceroy and Governor General in Council will allow me to support both in a way becoming their rank, but at the same time without showing any sympathy with their acts. I shall see that their followers are reduced down to a number sufficient for the comfort of household requirements. I will endeavour to bring down the elder Prince's wife and children, as being the best way of having a hold on himself, and inducing him, should he not return to the King, his father, to abandon his ambitious projects, at all events for the present. I hope I am right in already having informed him that he cannot be allowed to go towards the Burmese frontier, as that would at once cause great disturbance. He may possibly ask to be allowed to go to Calcutta. I beg that I may be favoured with orders as to what I am to do in that case.

From *J. W. S. Wyllie*, Esq., Under Secretary to the Government of India, Foreign Department, with the Governor General, to the Chief Commissioner of British Burmah,—No. 1168, dated Camp Agra, the 24th November 1866.

I HAVE the honour to acknowledge the receipt of your letter, dated 15th ultimo., No. 63, giving further intelligence as to the state of affairs in Burmah Proper.

2. In reply, I am directed to inform you that the Governor General in Council approves of your views and proposals regarding your visit to Mandalay; but with reference to the arrangements for the Myeengoon Prince and his brother, his Excellency in Council will await your recommendations after you may have arrived at the capital and seen the King of Burmah. At present his Excellency in Council is of opinion that, considering the conduct of these princes, nothing more than a mere maintenance should be given them.

(Political Department, No. 33.)

The Secretary of State for India to the Governor General of India in Council, dated 28 February 1867.

I HAVE considered in Council the letter of your Excellency's Government, dated 8 December (No. 194) 1866, with enclosures, in which Colonel Phayre reports the arrival of the fugitive Burmese princes within British territory, the arrangements for their temporary location at Rangoon, and his own approaching departure to Mandalay. In reply, I have to intimate to you the approval of Her Majesty's Government of the orders passed by you in your Under Secretary's letter of the 24th November last, No. 1168, and to express a hope that Colonel Phayre's visit may be conducive to the maintenance of the present friendly relations between the Government of your Excellency and that of Burmah.

(signed) *Cranborne.*

(Foreign Department.—Political.—No. 14.)

The Governor General of India in Council to the Secretary of State for India,
dated the 23rd January 1867.

No. 181, dated
23 October.
No. 194, dated
8 December.

IN continuation of our Despatches, noted in the margin, regarding the commercial mission to the Court of Mandalay undertaken by the Chief Commissioner of British Burmah, we have the honour to forward, for the information of Her Majesty's Government, copies of two letters from Lieutenant Colonel Phayre, giving an account of his negotiations with the Burmese Government, and submitting recommendations as to the course which should be followed in consequence of his having failed to obtain the object for which he was despatched.

2. We also forward a copy of our orders in reply.

3. Your Lordship will perceive that we have empowered the Chief Commissioner to inform the King of the dissatisfaction with which we view the attitude taken by his Majesty in disallowing the very moderate and reasonable requisition of the British Envoy. Further, we are of opinion that, as a measure of retaliation, the export duties formerly levied by our Customs officers on the Burmese frontier should, as suggested by Colonel Phayre, be reimposed with effect from June next; and, subject to the sanction of Her Majesty's Government, which we now solicit, instructions to that effect have already been issued by us.

4. Our attention has been drawn to the valuable service rendered to the mission by the Right Rev. the Bishop Bigandet. We have already desired Colonel Phayre to convey the thanks of the Government of India to the bishop, but we would further beg to recommend that our high appreciation of the prelate's good offices may, if your Lordship think proper, be communicated through Her Majesty's Secretary of State for Foreign Affairs to the Government of His Majesty the Emperor of the French.

EXTRACTS FROM LETTER from Colonel *A. P. Phayre*, C.B., Chief Commissioner, British Burmah, to the Secretary to the Government of India, Foreign Department,—No. 218-5000, dated Thayetmyo, the 10th December 1866.

2. DURING the period of my stay at Mandalay, which extended over one month, I have had constant interviews and prolonged discussions with the principal Woongyee, styled Pakhan Mengyee, regarding the necessity for an improved arrangement to regulate the trade between the two countries. I have also been received four times by the King of Burmah. I regret to report that my efforts to obtain a satisfactory settlement for future commercial intercourse have been unavailing. It would be useless for me to relate in detail the discussions of each day; I will, therefore, state briefly the terms which I insisted upon, the terms to which the Burmese minister acceded, and those which he finally refused to admit. The better to elucidate the final position of the negotiation, I have the honour to enclose the draft Treaty which we had agreed to; and I have added thereto the two articles on which I insisted, but which the Burmese minister stated he had no orders to consent to.

* * * * *

4. I will now proceed to narrate briefly the terms proposed, those acceded to, and those rejected. It will be recollected that Article 8 of the Treaty of the 10th November 1862 provided that, "should the British Ruler within one year abolish the duties taken at Thayetmyo and Toungoo, the Burmese Ruler would, if so inclined, after one, two, three, or four years, abolish the duties taken at Maloon." The main portion of the negotiation as to commercial affairs was based upon this article. The Treaty, of which it forms a part, settled satisfactorily the question of Customs duties at the Chinese frontier of the Burmese territory and on the sea-board of the British territory, so that goods coming from sea for China, or from China to go to seaward, pay only the nominal duty of one per cent. on entering either country. What remained was to effect a fair settlement regarding frontier duties, payable where the Burmese and British territories joined, on goods coming from the latter to be consumed in Burmah; to secure, if not free trade, a moderate rate of duty; and to have an effectual guarantee against dishonest practices,

practices at the frontier custom-houses, which, if not guarded against, neutralise the benefits which might be derived from the provisions of any treaty. In addition to these terms, I consider it essential to insist upon the necessity of all articles of commerce, excepting precious stones and petroleum, being free to be sold by the owners thereof to any purchaser; for the King has monopolised some of the most important products of the country, as cotton, raw sugar, and, to some extent, timber, so that the sale and export of them can be stopped at any moment; and the supply of them is materially diminished by means of the arbitrary interference, which deprives the people of profit and checks enterprise. Further, it was necessary to secure to foreign traders at Mandalay a safer and surer settlement of suits and disputes in mercantile business than is possible under the Burmese Civil Courts. This I proposed to provide for, by giving the agent to the Chief Commissioner at Mandalay exclusive jurisdiction in such cases. The above terms I considered absolutely necessary for a satisfactory arrangement of future commercial intercourse with Burmah.

5. Considering the financial difficulties of the Burmese Government, I admitted that they could not altogether give up their frontier duties. I, therefore, in Articles 1, 2, and 3 of the draft Treaty, a copy of which is enclosed, consented that they should be allowed to levy a five per cent. *ad valorem* duty on imports and exports, to have effect from April 1868, and to last for 10 years. I allowed until April 1868 in order to give the King time to restore his finances somewhat after the late disturbances. At the expiration of 10 years the rate was by consent to be either lowered or raised. As long as the rate did not exceed five per cent., the British Government was not to levy frontier duties. Practically, after 10 years, it would scarcely have been possible for the Burmese Government to raise the *ad valorem* duty higher than five per cent. Article 4 provided for a list of articles of import and export, and their tariff prices, for the levy of duty being delivered annually by the Burmese Government. Articles 5 and 6 provided for officers being placed by either Government at places in the territory of the other, where customs duty may be, or is, levied, to hear and report upon complaints by merchants as to any payments demanded by officials not warranted by the Treaty. Article 7 provided for the free export and import of gold and silver, hitherto prohibited by the Burmese, and for the import of arms from British territory.

6. The above articles refer to trade and customs duties. The next four provided for the material surrender of persons charged with the crimes of murder, robbery, dacoity, or theft, and who shall fly and take refuge in the territory of the other Government. Due care is taken to test the evidence in each case. Provision is also made for the trial of a subject of either Government who may commit any such crime in the territory of the other and fly back to the territory of his own Government.

7. The articles above described were agreed to by both sides. It will only be necessary for me to explain the arrangement regarding arms. I agreed to this solely on the condition that the whole of my propositions to be mentioned below were acceded to. I was induced to do this from the following considerations:—It is of paramount importance to British Burmah to have unfettered trade with Upper Burmah. It is essential to ensure security for our merchants against official oppression and obstruction in their dealings, and in the disputes which may arise with Burmese subjects. The question was whether, in consideration of all I required on these points being conceded, it was worth while to give up the frontier duties on the British side of the border and to allow the Burmese Government to import arms. Those were the two concessions I proposed to make, and in return I required that British subjects and trade generally should be effectually protected against oppression, annoyance, and interference. Regarding the propriety of the first concession, I believe there can be no doubt. As regards the second, I was authorized in 1862 to grant the point if found to be necessary; I did not find it necessary then, and therefore left it unnoticed. * * * *
Considering the state of affairs, I am of opinion that the danger, political or military, of allowing arms to be purchased by the Burmese is reduced to a minimum, and that, if the concessions I required had been granted, the privilege of purchasing arms and powder, though, as concerns the Burmese Government, great, would, as regards British interests and risks, be small indeed. It must also be considered that the Burmese Government really require arms to maintain

order both in Burmah Proper and in the Shan States. If, therefore, it is for the interest of the British Government to have the neighbouring country quiet and orderly, positive advantage is likely to be derived from the concession. On these grounds, therefore, I agreed to include in the Treaty an Article allowing the purchase of arms in British territory by the Burmese Government.

8. The Articles numbered 8, 9, 10, and 11, which refer to the extradition of criminals and trial of persons charged with offences, do not require detailed remark. I considered it advisable to restrict the arrangement to the four crimes which are most frequent on the border; for, as the Burmese Government required strict reciprocity, it was necessary to adopt precautions for testing evidence in each case before any accused person should be delivered up. To have extended the arrangement to criminal offences generally would have led to much inconvenience.

9. There are two remaining Articles, numbered 12 and 13, in the draft, regarding which the discussions were very prolonged. They proposed to provide for suits between British subjects, or those in which they were defendants, being decided by the British agent at Mandalay, and for all monopolies being done away with, except those in a few articles, the sale of which it may be admitted the Sovereign may legitimately control. From these exceptions it is considered that no general inconvenience would be felt by the people of either country.

10. With respect to Article No. 12, the Burmese Woongyee contended earnestly for two points: 1st, that in suits decided by the British agent, an appeal should lie to the Burmese High Court; and, 2nd, that a similar 'right should be secured for Burmese subjects at Rangoon; that is, that if a Burmese agent were appointed at Rangoon, that he should have jurisdiction in cases where Burmese subjects were concerned. The appeal at Mandalay I would not consent to; such an arrangement would have made the process of collecting debts and settling accounts by merchants as tedious and as uncertain as it is now. With regard to the Burmese agent at Rangoon, the Woongyee said it was only asked for as a point of honour, so that it might not be said by those who read the Treaty the British by their superiority of force had made the Burmese succumb. I have no doubt this was the only objection, and probably they never would have put an agent at Rangoon; indeed, the Woongyee candidly admitted they could not trust an agent of their own with any authority at Rangoon. However, I at once told him I would not admit the reciprocal Article on this point which he required. Finally, the King himself intimated that, if I would consent to give up Article 12, he pledged himself to issue a decree giving the whole authority asked for to the British agent within his kingdom, but declining to give it under treaty unless corresponding authority was given to a Burmese agent. I consented to this arrangement provided Article 13 was agreed to.

11. The whole question of Treaty or no Treaty then turned upon Article 13, that is, no monopolies. I have no hesitation in saying that as long as the King of Burmah allows certain persons to have the right of purchasing produce at fixed rates from the producers, as cotton, raw sugar, cutch, and so on, that no satisfactory trade can exist between the two countries. Any agreement as to rates of duty is, as far as monopolized articles are concerned, of comparatively little importance. What is required is entire freedom for the seller and buyer. This point was one on which the Woongyee plainly gave me to understand he had no orders; in other words, he was not allowed to discuss it. The King himself intimated through other channels that he could not dispense with the monopolies; that the state of his finances required them; that his wish was gradually to drop them, but that at present he could not promise to do so. Under these circumstances, I finally informed the Woongyee that I could not sign any treaty. I observed that with two countries so close together as ours, trade should be as unfettered as possible, and that the restrictions imposed and maintained did not bear out the appearance of the friendly professions which had been made. The demeanour of the Woongyee and the personal bearing of the King were certainly friendly, but nothing would move the latter regarding the monopolies.

12. I considered it better to sign no additional treaty than to agree to one which,

which, allowing monopolies to continue, indeed, thereby guaranteeing them, must inevitably produce more poverty in one country and more dissatisfaction in the other. I trust, therefore, it will appear to his Excellency the Viceroy and Governor General in Council that in refusing to sign a treaty unless monopolies were abandoned, I have acted for the true interests of British Burmah.

13. On my departure from Mandalay I deemed it necessary to address the Woongyee regarding the construction of Article 7 of the Treaty of 1862; that Article provides that "traders from the British territory * * * * who may travel in the Burmese territory * * * * shall be allowed to purchase whatever they may require." I pointed out that there is here no restriction whatever admitted. If, therefore, a trader from the British territory finds a person the lawful owner of produce which he is willing to sell, the former may purchase it. There is after that nothing to prevent him from exporting such produce under the existing tariff. This point, which has never been distinctly admitted by the Burmese Government, but also has not been denied, will, to some extent, mitigate the evil of monopolies. But it is still in the power of a despotic Government, like that of Burmah, so to intimidate owners of produce that they would not dare to sell it, except to purchasers approved by the Government. It may possibly be necessary seriously to warn the Burmese Government against any such infringement of the whole spirit of the Treaty of 1862.

14. Finally, before leaving I wrote to the Woongyee, announcing that, as no arrangement had been made by the Burmese Government regarding the frontier duties in the spirit of Article 8 of the Treaty of 1862, the British Government would consider the propriety of reimposing the frontier duties as they existed at the time when that Treaty was concluded. I shall have the honour to address you upon that subject in a separate Despatch.

DRAFT of TREATY negotiated with the Burmese Chief Woongyee at Mandalay in November and December 1866.

Article 1.—Goods imported into the Burmese territory from British territory, or other western countries, as likewise goods imported from the Burmese territory to British territory, or other western countries, shall be liable, with the exception of goods reserved by the Burmese Government, to the payment of five per cent. duty *ad valorem* from the 1st day of the Burmese year 1230* during the term of 10 years. Import or export duty shall be levied once only at the frontier, and no other charges shall be made on account of the conveyance of goods from one place to another, or on any other account. * April 1868.

Article 2.—After the expiration of the term of 10 years, as provided in Article 1, when taking into consideration the capabilities of the merchants and people, if it should be deemed necessary either to decrease the rate of the five per cent. duty to three per cent., or to increase it to seven and a half per cent., or to 10 per cent., and no other charges shall be made for the conveyance of goods from one place to another, or on any other account. Three months' previous notice shall be given of the change in the rate of duty, namely, in what year, and on what goods it is to have effect.

Article 3.—During the term that the Burmese Government, under Article 1, shall levy the five per cent. duty, or a lesser rate of duty, the English Government shall, in accordance with Article 8 of the Treaty of 1224 (1862), exempt all goods from the payment of any duty. If the rate of duty levied by the Burmese Government at the expiration of 10 years should exceed five per cent. and up to 10 per cent. *ad valorem*, the English Government may likewise levy duty not exceeding 10 per cent. *ad valorem*.

Article 4.—A list of all goods under Articles 1 and 2, with the market prices thereof, shall be furnished to the agent of the Chief Commissioner within two months after the conclusion of this Treaty for the year 1228 (1867-68), and the market value of goods may hereafter be altered with the consent of the British agent and a new list be given for each year.

Article 5.—A British officer may be appointed at any place within Burmese territory where customs duty is levied, to hear complaints regarding trade or customs duty; he shall be allowed to purchase ground to build a suitable brick house for his residence.

Article 6.—A Burmese officer may be appointed at any place within British territory where customs duty is levied, to hear complaints regarding trade or customs duty, who shall be allowed to purchase ground to build a suitable brick house for his residence.

Article 7.—In accordance with the existing great friendship between the two countries, Burmese or British subjects shall not be prohibited from importing or exporting gold and silver from one country to the other, but shall be at liberty to do so. The Burmese Government shall not be prohibited from obtaining guns, swivels, muskets, lead, powder, flints, and warlike ammunition, but shall be allowed to purchase whatever they may require.

Article 8.—A person, being a Burmese subject, who may be accused of having committed murder, dacoity, robbery, or theft within Burmese territory, and who may be found taking refuge in British territory, shall be delivered up to the Burmese Government, provided an investigation is first made by the Burmese authorities in conjunction with the British agent, and provided the said agent, being satisfied, affixes his signature to a written requisition for delivery, which shall be made by the Burmese Government to the British Government.

Article 9.—Any person, being a British subject, who may be accused of having committed murder, dacoity, robbery, or theft, within British territory, and who may be found taking refuge in Burmese territory, shall be delivered up to the British Government on a requisition being made to that effect by the British authorities, provided that, in case the Burmese Government thinks proper to appoint an agent (at Rangoon), the requisition shall be made according to the form laid down in the previous Article.

Article 10.—Any person, being a Burmese subject, who may be accused of having committed murder, robbery, dacoity, or theft within British territory, and who may be found taking refuge in Burmese territory, shall be apprehended and brought to trial according to the laws and procedure of Burmah. It shall be optional with the British Government in any such case to appoint a British official to be present at the trial of any person or persons so accused.

Article 11.—Any person, being a British subject, who may be accused of having committed murder, robbery, dacoity, or theft within Burmese territory, and who may be found taking refuge in British territory, shall be apprehended and brought to trial according to British law. It shall be optional with the Burmese Government to appoint a Burmese official to be present at the trial of any person or persons so accused.

Article 12.—British subjects coming into Burmese territory, and whose names have been registered by the British agent as British subjects permanently residing in Upper Burmah, shall be subject in all suits arising between them, or in which they are defendants, to the jurisdiction of the British agent. The Burmese Government will give effect to all orders and decrees on the application of the British agent.

Article 13.—The goods reserved by the Burmese Government under Article 1 are precious stones, jade stone, and petroleum; all other produce may be sold according to the will and pleasure of the owner, and the Burmese ruler will put no restriction on the sale and purchase of such produce.

EXTRACTS FROM LETTER from Colonel A. P. Phayre, C. B., Chief Commissioner, British Burmah, to the Secretary to the Government of India, Foreign Department, No. 219-5001, dated Thayetmyo, the 10th December 1866.

In my letter, No. 218-5000, of this date, I have detailed the provisions of the Treaty which, in accordance with the orders of his Excellency the Governor General in Council, I proposed to the Burmese Government, and have explained the

the circumstances under which I refused to conclude any agreement at all. I beg now to add a separate despatch showing how the negotiations were conducted, and to state what I beg respectfully to recommend consequent on the failure to effect any satisfactory arrangement.

2. It was the 7th December 1866 before I could land at Mandalay. Arrangements could not be made for me to have an audience with the King until the 12th idem. I was accompanied to the palace on this and on all other occasions by Captain Sladen, the agent at Mandalay, and by Mr. R. S. Edwards, collector of Customs at Rangoon. The reception was a formal one, which precluded the mention of business.

3. I had been accompanied from Rangoon by the French Bishop, the Right Reverend Dr. Bigandet, who has been for many years in Burmah, and is well known to the King. Two days after our arrival the bishop informed me that he had been received at a private audience by the King, who spoke on the subject of my mission. He was already aware of the general nature of what I had come to demand, but intimated that in the present state of his country, recently so deeply disturbed and still unsettled, he could not give sufficient attention to the negotiation of a treaty. It was evident that the King wished to postpone coming to any distinct understanding. At his request I sent to the palace a draft of what I proposed.

4. After visiting the Woongyees, or ministers of state, and a return visit having been paid by them to me on the 15th, the chief Woongyee, in reply to my inquiries, said he had no orders from the King as to any negotiation. I again, therefore, had an audience with the King on the 16th; his observations were vague, the tenor of them being that it would be better if I would not press matters now, but return after one year. He, however, referred me to the chief Woongyee to settle everything. I considered it better not to discuss any details with the King himself, as it might be necessary to say before a number of persons what might not be agreeable to him.

5. On the 17th I went to the Woongyee; according to his wish, we first discussed the extradition clauses, which, in fact, he brought forward. He again said he had no orders regarding the articles I had proposed relative to trade. On the 19th the Right Reverend the Bishop informed me that, from a private conversation he had had with the King, it was evident his Majesty wanted to put off what he considered the evil day of coming to any settlement at all. He constantly spoke of the necessity of reserving in his own hands the monopoly of certain articles of produce, as without that resource, he said, his revenue was not sufficient. He again also spoke of the disturbed state of the country, and of the present time being unsuited to the settlement of affairs regarding trade.

6. On the 20th we had another interview with the Woongyee. I laid before him the several propositions to facilitate trade between the two countries, and of which a copy had been furnished 12 days before. He said he had as yet no specific orders from the King; he thought the proposed decision of suits by the British agent would produce confusion. On the 22nd we again went to the Woongyee, but could not induce him to discuss each point separately. On the 24th the Woongyee came to me; after several hours' conversation on the propositions as a whole, no conclusion was arrived at.

7. On the 26th we were again received at the palace. The King said nothing distinct regarding the proposed treaty, but told me to discuss everything with the Woongyee; to look to the good of both countries, and hold an even balance; and to let the French bishop be present, as he was impartial, and would be of use. We at once had a meeting with the Woongyee; a discussion of some length ensued as to what the duties and powers of the British agent at Mandalay would be, connected with the investigation of merchants' suits. He seemed to fear that this power would extend to all cases in which British subjects might be concerned, as payment of taxes, and so on, and that Burmese jurisdiction would be altogether set aside. The Woongyee was informed that it was only proposed to give the British agent jurisdiction in mercantile cases, such as claims on trading transactions and settlement of accounts.

8. The next day the Woongyee placed before me a draft of articles embodying what he proposed in reference to those which I had already delivered to him. This draft is substantially contained in Articles 1 to 11 of that attached to my letter, No. 218-5000, of this date; it also contained a provision similar to that in

Article 12 for a Burmese agent to be stationed at Rangoon. The subject of monopolies was altogether omitted. I at once informed the Woongyee that I could not admit of a Burmese agent at Rangoon with judicial powers, which he affected to be utterly astonished at, but that I would carefully consider his other propositions.

9. On the 29th I simply informed the Mengyee that unless he allowed the investigation of suits by the British agent, and unless the monopolies were resigned, I would not agree to the other articles. I also added, gravely, that unless these terms were agreed to, the cordial understanding which now existed could hardly be maintained. This appeared to have considerable effect, and I left somewhat abruptly. For three days after this there was a lull. On the 3rd December, after a discussion of several hours, the Mengyee finally said the points in question (contained in Articles 12 and 13 of the draft) could not be yielded.

10. I then at once required an audience of leave-taking with the King, which was granted on the 5th December. No mention was made on either side of the proposed treaty. The King was friendly in his manner, and announced his intention of writing a letter to the Governor General, and also of giving to Bishop Bigandet and to me a copy of the whole original Boodhist Scriptures, termed the Beedagat. I expressed my thanks for this. The King also said he wished to send a copy to Ceylon to be preserved there in a suitable building secure from fire. I stated that I would represent this to his Excellency the Viceroy for his orders. The next day I embarked in the steamer to return to Rangoon.

11. I cannot conclude this sketch of the negotiation without bringing to the notice of his Excellency the Viceroy and Governor General in Council the cordial assistance which I have received throughout from the Right Reverend Bishop Bigandet, Catholic Bishop and Vicar Apostolic in Ava and Pegu. The bishop, who was frequently received by the King in a more private manner than the etiquette of the court allowed of in my case, steadily and earnestly supported my propositions regarding the abolition of monopolies. He also frequently accompanied me to the Woongyees, and earnestly advocated the measures I proposed. I beg respectfully to recommend that an expression of the value of the bishop's services, rendered heartily for the good of the people of both Governments, may be conveyed to the French Government in such manner as to his Excellency the Viceroy and Governor General in Council may appear appropriate.

* * * * *

13. As the selfish policy of the King of Burmah leaves the trade of the two countries restricted and fettered, it remains now to be considered what will be the best course to pursue regarding it. The frontier duties on the British side were provided for by Section 6 of Act XXX. of 1854; under the Treaty of 1862 and Section 3 of Act IV. of 1863 they have been discontinued. With reference to the interests of British subjects, I would venture to recommend that no import duty be imposed at the frontier. The collection of import duty requires minute inspection and registration of a great number of small articles—fresh fruits and vegetables, for instance—the amount derived from which is scarcely worth the time required to collect it. The people in British territory also find it more remunerative to grow rice, and to look beyond the frontier for their supply of many articles of agricultural produce. Besides, under Article 4 of Act XXX. of 1854, goods which have paid import duty at the frontier, if exported by sea, pay no sea export duty. This, therefore, exempts goods going to foreign countries by sea, and leaves the burden upon the people of British Burmah in using those articles they require from Upper Burmah. On the whole, therefore, I would, at all events, for the present, not reimpose any duty on imports at the Frontier Custom Houses.

14. The case is different as regards exports. The duty on these has been limited under Section 9 of Act XXX. of 1854 to certain articles which are produced largely in Pegu, and are much required in Upper Burmah. Salt, though made in Upper Burmah, is imported there in considerable quantity, and will always be required. The people of Upper Burmah may be said to be absolutely dependent on Pegu for Ngapce, or fish paste, and for salted or preserved fish of every description. Rice is required more or less every year from Pegu. I think, then, it will be advisable to reimpose the frontier duty on the articles enumerated in the Schedule attached to the above-mentioned Act.

15. Article 8 of the Treaty of 1862 impliedly gives the Burmese four years to arrange for the abolition of duty on their side. As the duties on the British side

side were not abolished until June 1863, it might be considered proper in the spirit of the above-mentioned Article to consider the four years as commencing from that date. If this be approved, the export duties would again take effect from June 1867.

From *J. W. S. Wyllie*, Esq., Officiating Secretary to the Government of India, Foreign Department, to the Chief Commissioner of British Burmah,—No. 40, dated Fort William, the 10th January 1867.

I AM directed to acknowledge the receipt of your two letters, No. 218-5000, and No. 219-5001, dated 10th ultimo, giving an account of the mode in which your negotiations with the Burmese Government during your recent visit to Mandalay were conducted, and stating the measures which you recommend the Government to adopt in consequence of the failure of the mission.

2. The Right Honourable the Viceroy and Governor General in Council entirely approves of all your proceedings at Mandalay, and, however much your failure is to be regretted, his Excellency in Council is quite satisfied that you did all in your power to bring the negotiations to a successful issue.

3. You were quite right in promptly rejecting the unreasonable proposal of the Burmese Court that there should be an agent of that Government stationed at Rangoon with judicial powers.

4. The Government of India sanctions your acceptance of the copy of the Boodhist Scriptures presented to you by the King, as also the intention which you are understood to entertain of transferring the work to the British Museum. With regard to the copy which his Majesty wishes to send to Ceylon, a communication has been addressed to the Government of that Colony inquiring whether the King's wish may be gratified.

5. The valuable service rendered to the mission by the Right Reverend the Bishop Bigandet is cordially acknowledged by the Viceroy and Governor General in Council. A recommendation will be made to Her Majesty's Secretary of State for India that the high appreciation which this Government has of the prelate's good offices may be communicated through the English Foreign Office to the Government of his Majesty the Emperor of the French. In the meantime you are requested to convey the Viceroy's thanks to the bishop.

6. It is disappointing that the King of Burmah should have disallowed your very moderate and reasonable requisitions. You are empowered to inform his Majesty of the dissatisfaction with which the Government of India has received your account of the attitude taken by him in this matter. The King should be made to understand that the spirit of the Treaty of 1862 gave the Government just grounds for anticipating a very different result.

7. The question whether, as a measure of retaliation for the selfish policy of the Burmese Court, export duties should be reimposed at the British frontier, will be taken into consideration in the Financial Department, and orders communicated to you hereafter.

8. In respect of the two Burmese princes who are now under your surveillance at Rangoon, the Governor General in Council has reason to believe that you would wish to deport the elder prince to Port Blair. His Excellency in Council can well understand that his continuance in British Burmah is unadvisable. I am, however, to suggest, for your consideration, whether it might not sufficiently answer the purpose, besides saving the prince from disgrace, if Mergui were preferably selected as his place of future residence. Should you, however, still be of opinion that at Mergui he would not be adequately isolated from the scene of his recent revolutionary outbreak, the Governor General in Council authorises you to despatch him to Port Blair.

(No. 41.)

COPY of the above letter, together with extract, paragraphs 13 to end of Chief Commissioner's letter, No. 219-5001, forwarded to the Financial Department for early consideration of the question regarding the export duties.

EXTRACT from the PROCEEDINGS of the Government of India, in the Financial Department,—No. 249, under date Fort William, the 14th January 1867.

READ a communication from the Foreign Department, dated the 10th January, No. 41, forwarding a copy of papers relating to the result of the recent negotiations of the Chief Commissioner, British Burmah, with the Burmese Government for early consideration of the question of the proposed re-imposition of Customs duty on certain articles exported to Burmese territory.

Resolution.—Under the present circumstances of the case, the Governor General in Council fully approves of the recommendation of the Chief Commissioner, British Burmah, for the re-imposition of the frontier export duty in question.

Ordered, That the Foreign Department be informed accordingly.

(A true Extract.)

(signed) *E. H. Lushington,*
Secretary to Government of India.

From *H. Le Poer Wynne*, Esq., Officiating Under-Secretary to the Government of India, Foreign Department, to the Chief Commissioner of British Burmah,—No. 61, dated Fort William, the 15th January 1867.

No. 249, dated
14th January.

WITH reference to paragraphs 14 to 16 of your letter, No. 219-5001, dated 10th December last, I am desired, in continuation of the reply, No. 40, from this office, dated 10th instant, to forward to you the accompanying copy of a resolution of the Government of India, in the Financial Department, conveying the formal sanction of the Right Honourable the Governor General in Council to your recommendation for the re-imposition of the frontier export duties on the articles mentioned by you.

2. I have to request that you will communicate this resolution to the Court of Mandalay.

(Political Department.—No. 46.)

The Secretary of State for India to the Governor General of India in Council, dated 23rd March 1867.

Para. 1. I LEARN with much regret, from the Despatch of your Excellency's Government, dated 23rd January, No. 14, 1867, that Colonel Phayre's recent mission to Mandalay has, so far as the regulation of your commercial policy with the Burmese State is concerned, not been crowned with success.

2. It is not improbable, however, that at a more propitious time, when the minds of the King and of his minister are not distracted by internal seditions and dissensions, they may be better disposed to listen to any reasonable representations that may be made by your officers, and that a more favourable result may then be attained.

3. But I am of opinion that the retaliatory proceedings sanctioned in your Financial Department are not those best calculated to conduce to the desired end.

I have, &c.
(signed) *Stafford H. Northcote.*

EAST INDIA (UPPER BURMA).

COPY of PAPERS and CORRESPONDENCE relating
to the late REBELLION in *Upper Burma*, and
to the Measures taken by the Indian Govern-
ment for Protecting the Interests of British
Subjects.

(*Mr. Kinglake.*)

*Ordered, by The House of Commons, to be Printed,
4 April 1867.*
